MONTHLY STRATEGIC REPORT
MARCH- 2026

Middle East Shock: Market Resilience Testing

11/03/2026

GLOBAL ECONOMIC OVERVIEW

- The foreign policy under President Trump's administration was characterized by unpredictability, consistently challenging traditional diplomatic norms through bold geopolitical moves. The first dominoes began to fall in January, with the U.S. directly intervening in Venezuela with the arrest of the country's president, followed by shocking pronouncements regarding the intent to acquire Greenland – territory under Danish sovereignty. However, the most serious escalation occurred when the U.S. and Israel transitioned from threats to direct military action against Iran, causing severe casualties and infrastructural damage.

- On February 28, 2026, the United States officially launched an attack on Iran, citing the prevention of its nuclear weapons development program. The initial phase reportedly targeted the country's senior leadership. The death of Supreme Leader Ali Khamenei and his family in airstrikes ignited a call for a full-scale Jihad against the US-Israel alliance.

- Iran is not only focused on confronting Israel but also shows signs of expanding its targets to GCC countries with a U.S. military base presence, such as the UAE (Dubai, Abu Dhabi), Bahrain, Qatar, and Kuwait, through small-scale but sustained drone and missile attacks aimed at creating continuous security pressure.

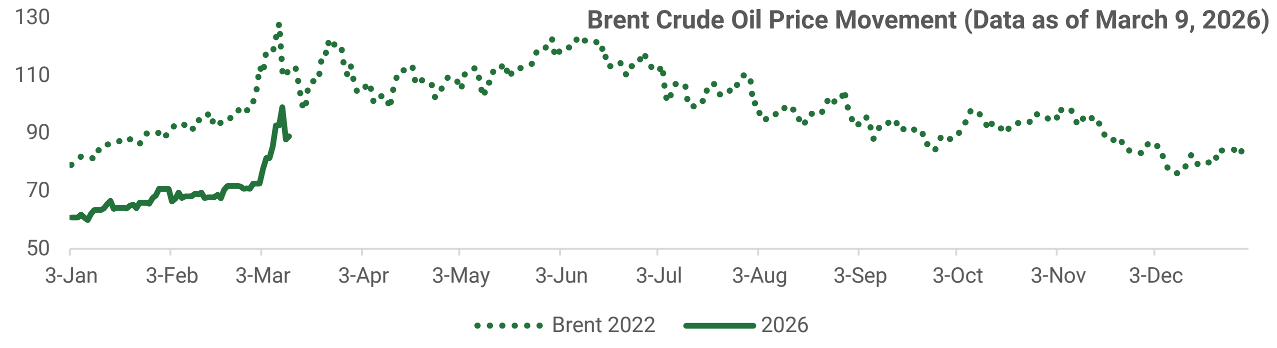
- Concurrently, the most dangerous strategic leverage Tehran could employ is a complete closure of the Strait of Hormuz, a vital shipping lane that facilitates approximately 20% of the global crude oil supply. This action would disrupt the stability of the energy market, interrupt the flow of petrodollars, and escalate a regional conflict into a global economic crisis.

(Please refer to PHS's special report on the Middle East conflict on 09th March for more details.)

STRAIT OF HORMUZ "CLOSED," CRUDE OIL SUPPLY ON ALERT

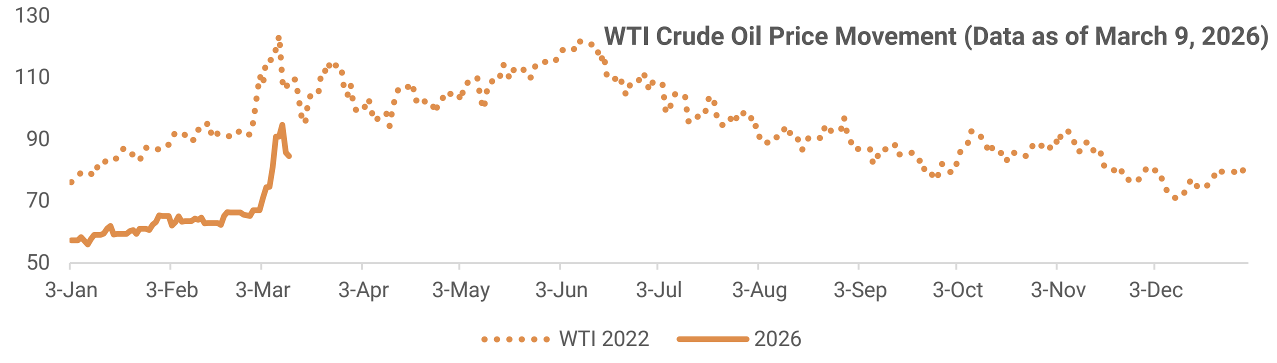
Crude oil prices surge amid conflict.

Brent crude oil has almost doubled since the start of the year, approaching its highest level since the Russia-Ukraine conflict in 2022.



Source: Bloomberg, PHS Compilation

WTI crude oil prices also saw a similar increase. The global crude oil supply is facing a shortage, potentially leading to social unrest in several countries and regions.



Source: Bloomberg, PHS Compilation

- The latest shipping data show that hundreds of vessels remain stranded outside the Strait of Hormuz, unable to reach ports in the region amid sharply rising maritime-security risks. Several ships have even come under attack while attempting to transit the waterway, heightening fears of a global energy-supply disruption. In response, crude prices spiked roughly 20% in a single session, with Brent briefly surging above USD 110 a barrel—its highest level since the Ukraine conflict erupted in early 2022. Experts warn that, in a worst-case scenario, oil could climb into the USD 150–200 range. Notably, Washington has yet to unveil a clear plan to counter the risk of the strait's closure; although President Trump has repeatedly referenced the issue, no concrete action has been taken to safeguard oil tankers on this strategic sea route.

- Amid mounting pressure on global supply, G7 finance ministers are expected on 9 March to discuss coordinating a release of oil from emergency stockpiles under the IEA framework; the Financial Times reports that three G7 members, including the United States, already back the plan, and Washington is weighing a release of roughly 300–400 million barrels. The prospect has nudged oil prices slightly off their peaks, yet it has not been enough to quell the panic.

DOMINO IN THE FINANCIAL MARKET

A broad-based sell-off swept through both stocks and bonds, running counter to the movement in oil prices.

Global financial markets are under heavy selling pressure amid growing geopolitical tensions, as risks to energy supplies become increasingly apparent. Notably, Asian markets are hit harder because of their heavy reliance on Middle East oil; the conflict now poses a major challenge to worldwide growth and financial stability.

Lợi suất TPCP

Trái phiếu	Lợi suất (09/03/2026)	vs 27/02	YTD 2026
US10Y	4.1%	+16bps	-9bps
DE10Y	2.9%	+22bps	-4bps
JP10Y	2.2%	+7bps	+7bps
CN10Y	1.8%	+1bps	-3bps
VN10Y	4.2%	+6bps	+13bps

Biến động chỉ số chứng khoán

Chỉ số	Thị trường	vs 27/02	YTD 2026
MXEF	Emerging Mkt	-9.69%	+3.50%
VNINDEX	VN Việt Nam	-12.10%	-7.38%
NKY	JP Nhật Bản	-7.38%	+8.28%
SHCOMP	CN Trung Quốc	-1.12%	+3.71%
KOSPI	KR Hàn Quốc	-10.54%	+32.55%
INDU	US Mỹ (Dow Jones)	-2.53%	-0.67%
SPX	US Mỹ (S&P 500)	-1.20%	-0.72%
DAX	DE Đức	-7.42%	-4.41%
SET	TH Thái Lan	-9.51%	+9.79%
FBMKLCI	MY Malaysia	-0.93%	+1.22%
TWSE	TW Đài Loan	-6.54%	+14.16%
PCOMP	PH Philippines	-7.11%	+1.45%
NSE500	IN Ấn Độ	-4.79%	-7.75%
JCI	ID Indonesia	-9.37%	-13.68%

Hàng hóa & Tài sản số

Chỉ số / Tài sản	vs 27/02	YTD 2026
Bloomberg Commodity	+6.31%	+17.93%
Bloomberg Agriculture	+2.15%	+4.31%
Bloomberg Energy	+19.10%	+34.63%
Bloomberg Industry	+0.40%	+5.42%
Brent Oil	+22.25%	+45.62%
WTI Oil	+26.69%	+47.88%
Vàng (XAU)	-1.81%	+20.00%
₿ Bitcoin	+5.79%	-21.47%
Ethereum	+5.18%	-32.33%

Source: Bloomberg, PHS compilation

CONCLUSION

Economic Calendar – March 2026

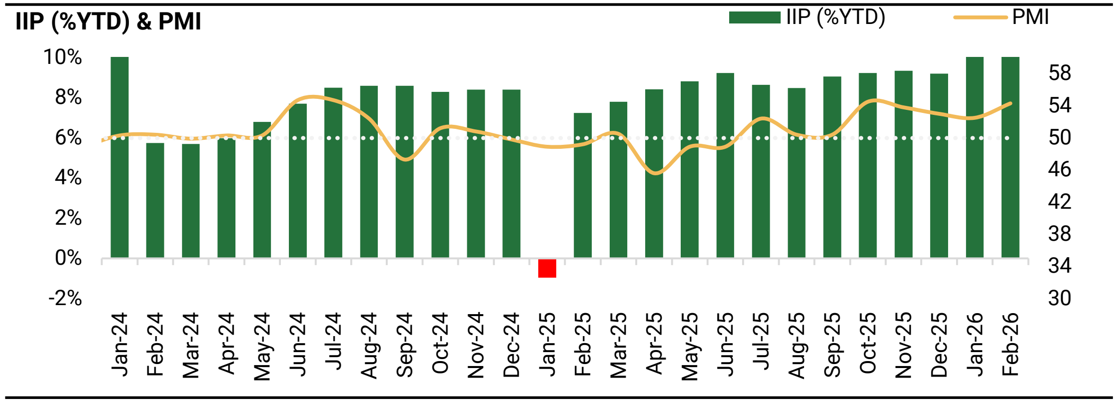
Date	Event	Forecast	Impact
02/03/2026	US – ISM Manufacturing PMI	51.3 (-2.47% MoM)	☆☆☆
	VN – S&P Global Manufacturing PMI	52.2 (-0.57% MoM)	☆
03/03/2026	EU – Inflation Rate	1.7% (Unchanged)	☆☆☆
04/03/2026	CN – NBS Manufacturing PMI	49.9 (+1.2% MoM)	☆☆☆
	US – ISM Services PMI	53 (-1.49% MoM)	☆☆☆
06/03/2026	US – Unemployment Rate	4.3% (Unchanged)	☆☆☆
09/03/2026	CN – Inflation Rate	0.4% (+20bps MoM)	☆☆☆
11/03/2026	US – Inflation Rate	0.2% (Unchanged)	☆☆☆
13/03/2026	US – GDP Growth Rate QoQ in Q4	1.4% (-300bps QoQ)	☆☆☆
18/03/2026	US – PPI MoM		☆☆☆
19/03/2026	US – Fed Interest Rate Decision	Est. 3.75% (Unchanged)	☆☆☆
	US – FOMC Economic Projections		☆☆☆
	EU – ECB Interest Rate Decision	2.15% (Unchanged)	☆☆☆

Source: PHS compilation

- According to PHS, the U.S.–Israel conflict with Iran could have far-reaching consequences for the global economy, extending well beyond the direct impact on oil markets and risking severe macroeconomic fallout if the standoff persists—a scenario that is no longer improbable in the current context. In financial markets, a broad sell-off appears almost inevitable as growth prospects and corporate earnings face downward revisions, while investors' nerves are frayed by the threat of a regional escalation that could spiral into wider geopolitical turmoil, even raising fears of a global conflict (WWIII). The sharper-than-expected deterioration runs counter to many earlier investment theses and compounds the pressure from already stretched valuations—particularly in technology and AI—fueling a sweeping correction across Asian, European, and U.S. markets. Energy-import-dependent economies that rely on supplies transiting the Strait of Hormuz, such as South Korea and Japan, are feeling the effects most acutely.
- Compared to the Russia-Ukraine conflict that began in February 2022, the immediate impact on oil, commodity prices, and supply chains is similar: inflationary pressure rises and the Fed's path toward monetary easing becomes harder to predict. The central bank could even be forced to delay rate cuts or, if the conflict spreads, consider tightening again. The key difference lies in the nature of the battlefield and the scope of impact. Russia-Ukraine is largely a land war whose effects center on food, natural gas, and commodities, concentrated mainly in Europe. The Middle East conflict, while characterized by long-range and stand-off warfare, could spread far more widely because the region is critical to global energy security.
- If the disruption at the Strait of Hormuz persists and no party signals willingness to compromise, the risks to commodity markets, exchange rates, inflation, and global investor sentiment will rise sharply. Meanwhile, major diplomatic events—including a U.S.–China meeting expected late March—could introduce further unpredictable variables for markets.

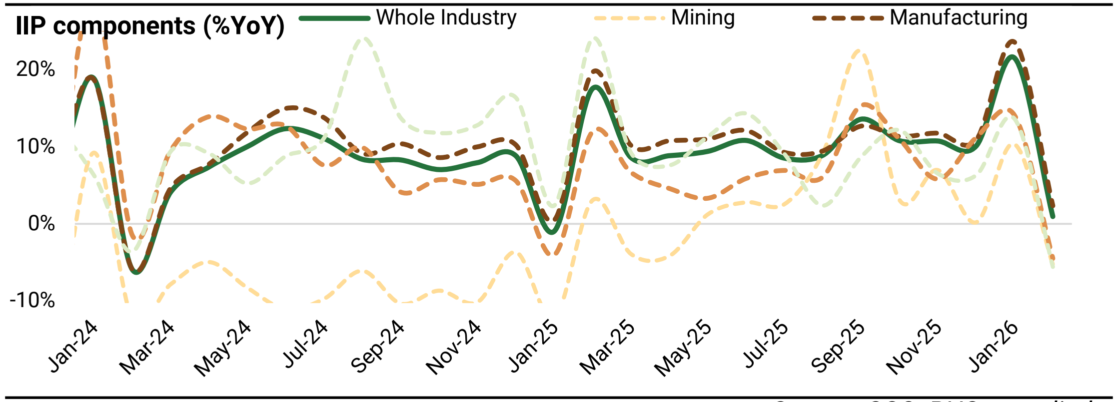
VIETNAM ECONOMIC OVERVIEW

Industrial production grew 10.4% in the first two months, reflecting a solid recovery in manufacturing. The February PMI rose to 54.3, marking the 8th consecutive month of expansion, with strong gains in output and new orders pushing business confidence to a 41-month high. However, firms are facing pressure as input costs rose at the fastest pace since mid-2022.



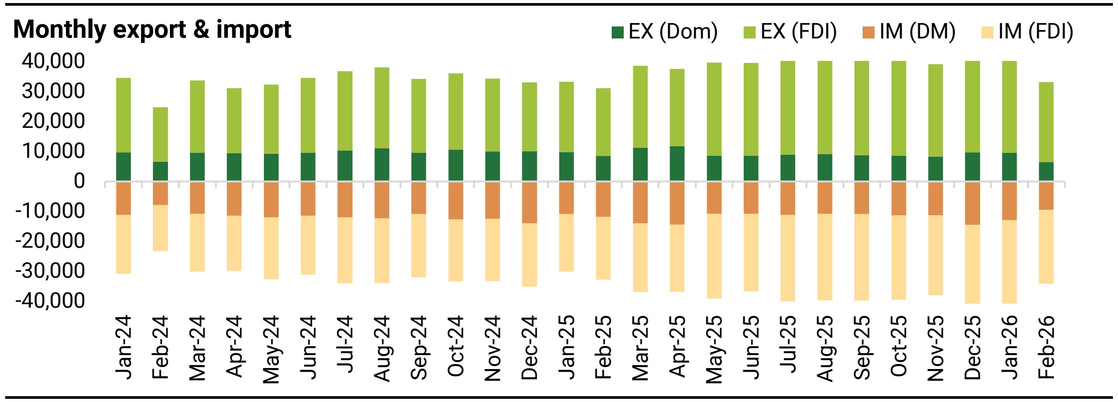
Source: GSO, PHS complied

If considering February alone, as the Lunar New Year (Year of the Horse) fell in February 2026, the number of working days decreased compared to both the previous month and the same period last year. As a result, the industrial production index recorded a decline of 18.4% MoM and an increase of only 1.0% YoY.



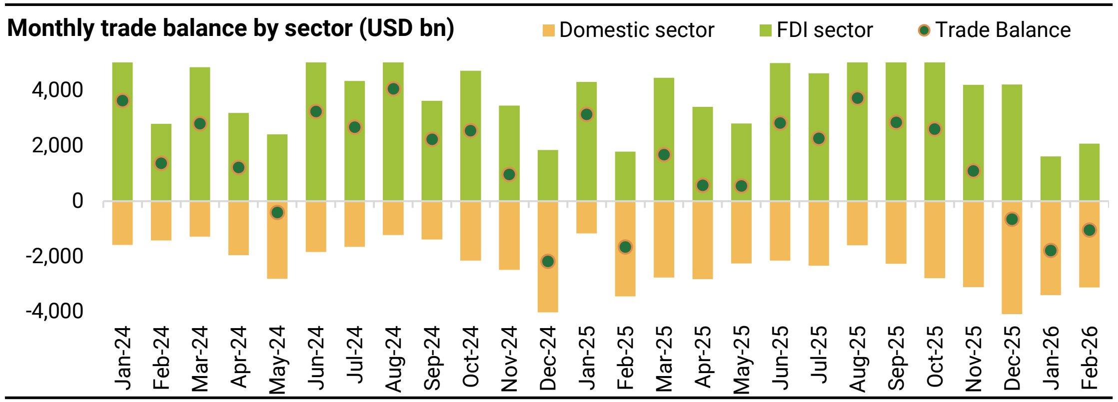
Source: GSO, PHS complied

Import and export activities in February declined due to disruptions from the Lunar New Year holiday. Vietnam's total trade turnover reached USD 67.19 billion, down 23.8% MoM but up 5.1% YoY. In the first two months of the year, total trade turnover increased 22.2% YoY, with exports rising 18.3% YoY and imports increasing 26.3% YoY.



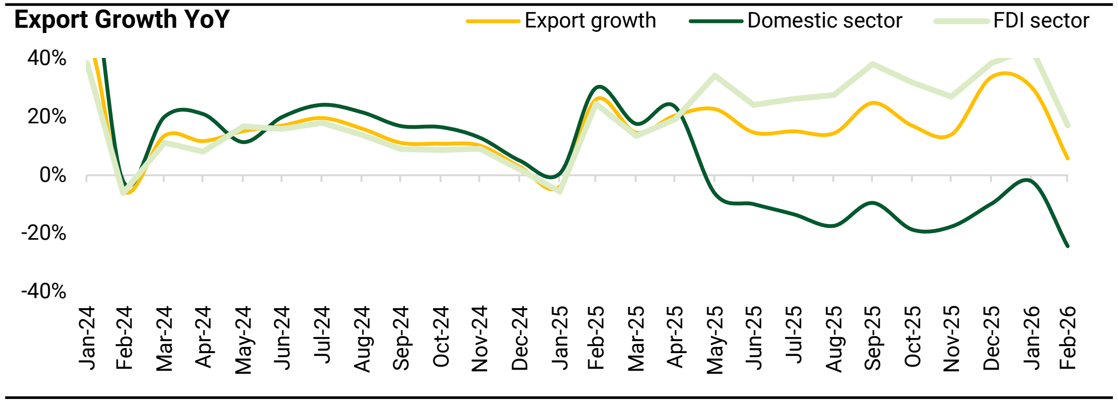
Source: GSO, PHS complied

The trade balance continued to record a deficit of USD 1.04 billion in February, bringing the cumulative trade deficit in the first two months of the year to nearly USD 3 billion. The main reason was the rising demand for phone component imports as Samsung prepares to launch its new product line, which further widened the trade deficit.



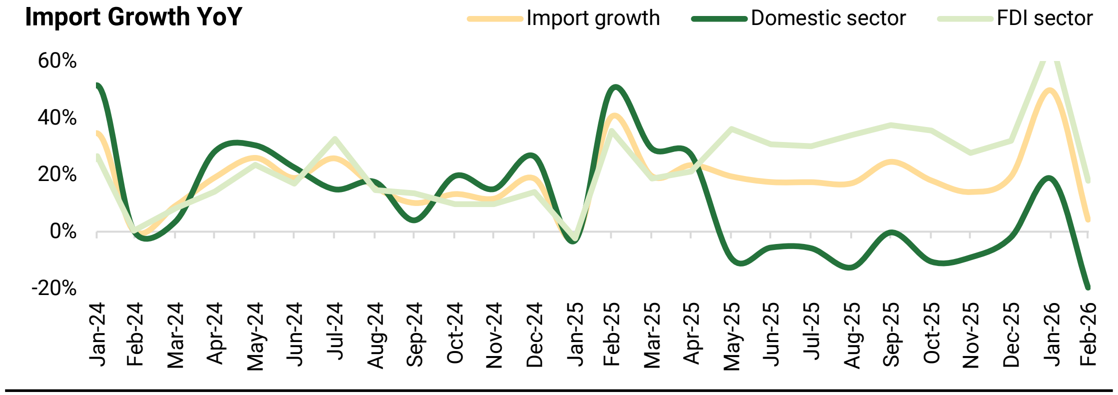
Source: GSO, PHS complied

In the first two months of 2026, Vietnam's exports reached USD 76.36 billion (+18.3% YoY), mainly driven by the FDI sector. Exports from the FDI sector totaled USD 60.4 billion (+30.1% YoY), while the domestic sector remained weak, reaching only USD 15.96 billion (-12% YoY).



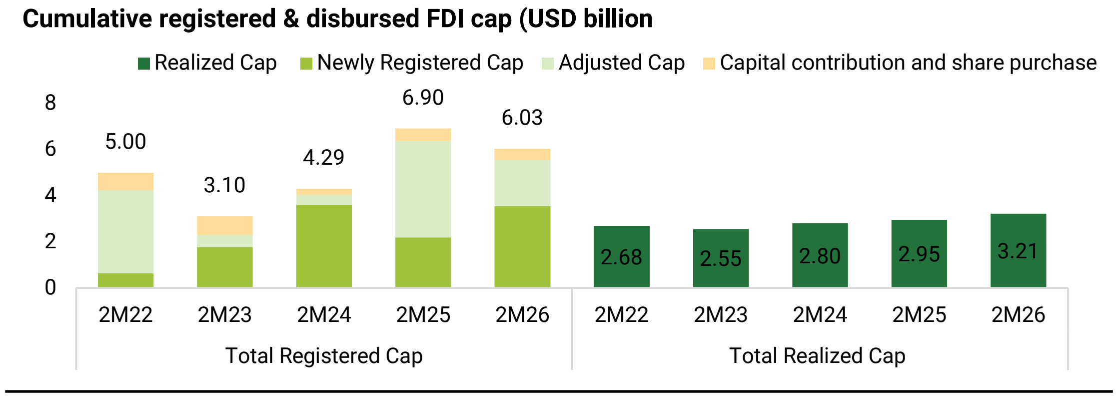
Source: GSO, PHS complied

Similar to exports, import activities also slowed in February due to seasonal factors. However, in the first two months of the year, total imports reached USD 79.33 billion, up 26.3% YoY. The FDI sector recorded strong growth of 42.2% YoY, while the domestic sector declined by 1.45% YoY.



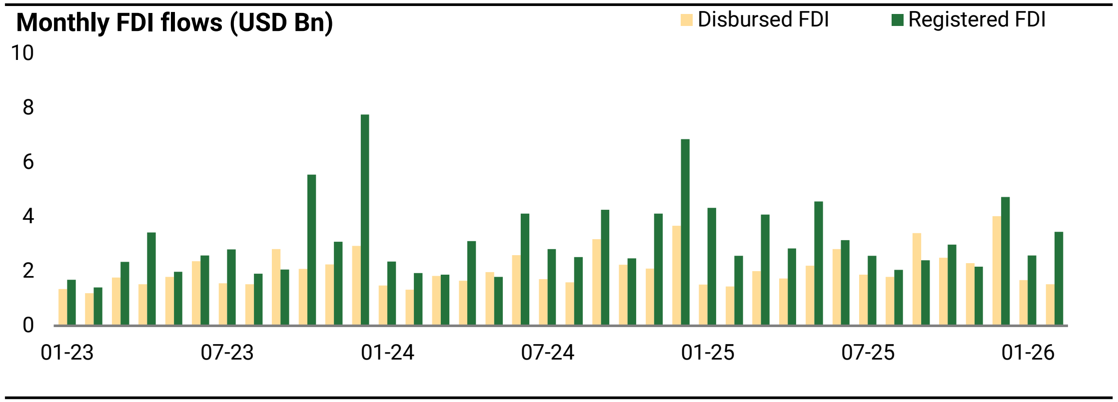
Source: GSO, PHS complied

Total registered FDI in the first two months of the year declined 12.6% YoY. However, newly registered capital surged 61.5%, indicating positive signals for new investment inflows. Meanwhile, FDI disbursement also reached a record high.



Source: GSO, PHS complied

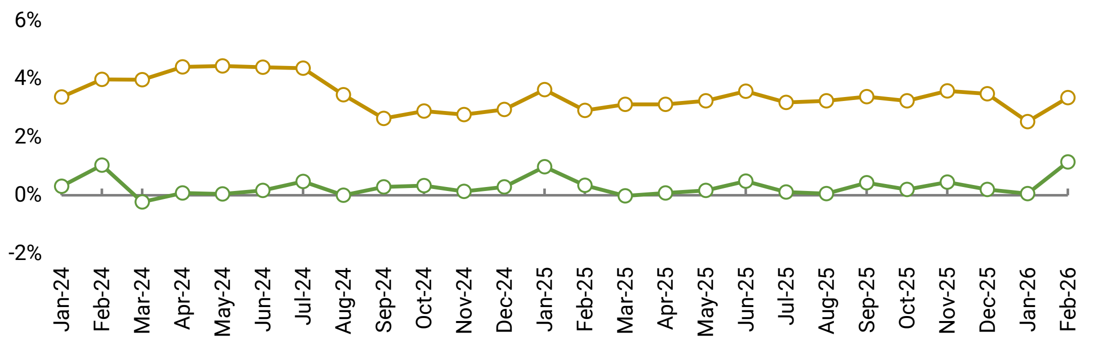
FDI registration and disbursement activities in the early months of the year typically tend to be slower than toward the end of the year. Nevertheless, the current data still show relatively positive signals. However, amid rising uncertainties related to tariffs and geopolitics, investor sentiment may be somewhat affected in the coming period.



Source: GSO, PHS complied

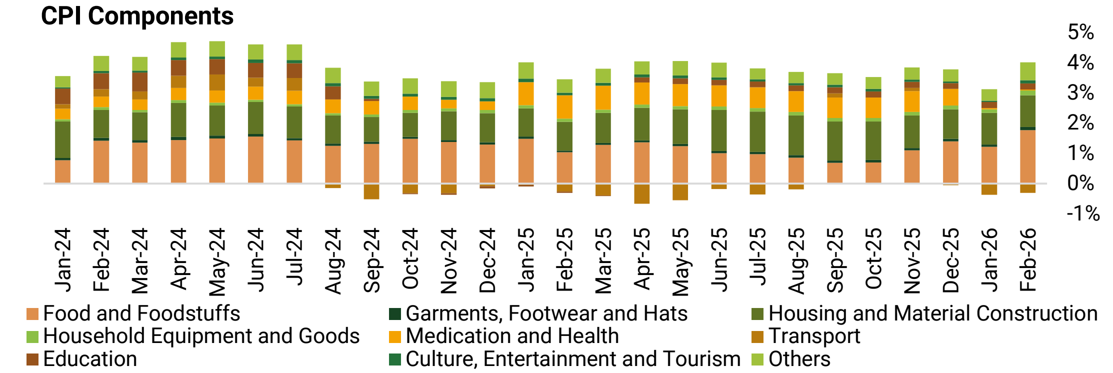
CPI in February 2026 increased 1.14% MoM and 3.35% YoY due to seasonal factors. On average, in the first two months of the year, CPI rose 2.94% YoY, while core inflation increased 3.47% YoY. Inflationary pressure is expected to rise in the coming months as the situation in the Middle East remains highly uncertain, posing risks of higher commodity and energy costs.

Consumer Price Index (CPI)



Source: GSO, PHS complied

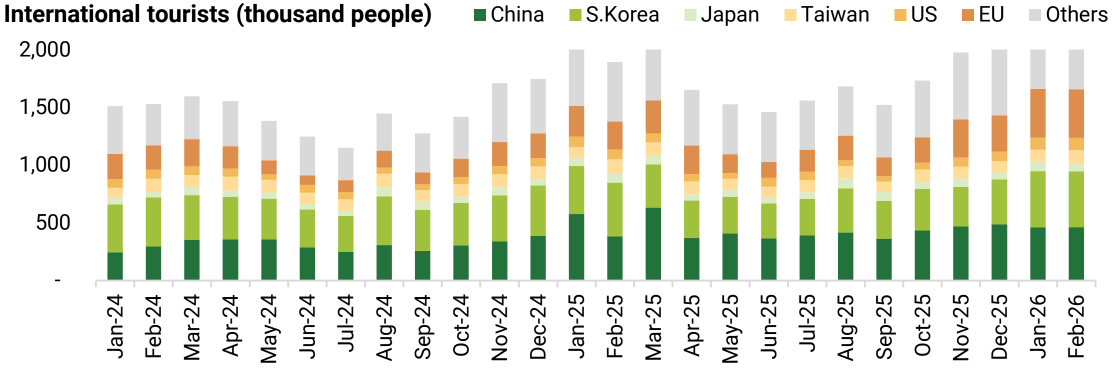
The main driver of higher inflation in February was the sharp increase in consumer spending and travel demand during the Lunar New Year holiday. As a result, most major consumer goods and service categories recorded notable price increases.



Source: GSO, PHS complied

Vietnam's tourism sector recorded impressive growth with more than 2.2 million international arrivals in February, marking the third consecutive month exceeding 2 million visitors. In the first two months of the year, total international arrivals reached nearly 4.7 million, up 18.1% YoY, with South Korea and China remaining the two key source markets.

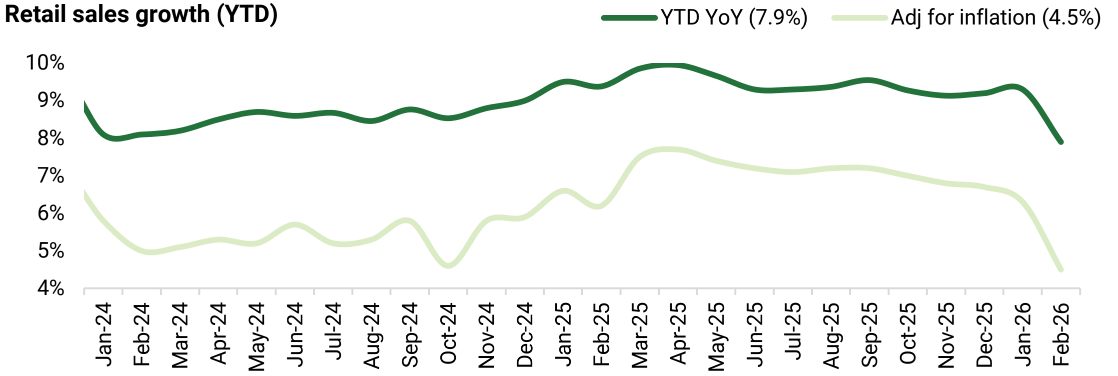
International tourists (thousand people)



Source: GSO, PHS complied

Retail growth is showing signs of slowing, with real growth reaching only 4.5% YoY. This occurred despite strong growth in the tourism sector, indicating that domestic consumption is still recovering at a relatively slow pace.

Retail sales growth (YTD)

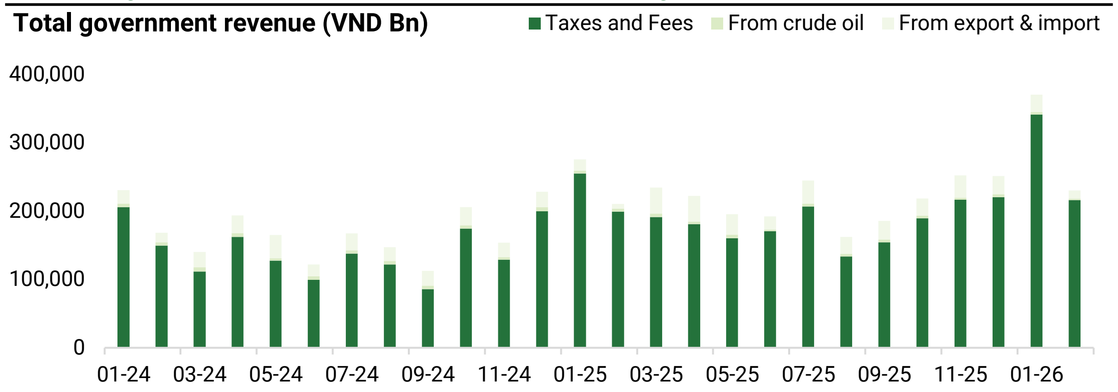


Source: GSO, PHS complied

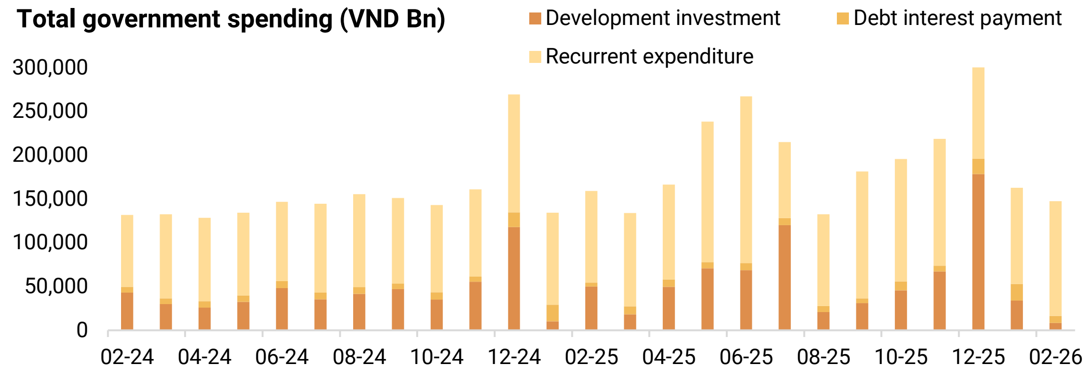
State budget revenue increased 23.8% YoY, with domestic revenue accounting for the dominant share, reaching 25.4% of the annual estimate and rising 15% YoY. This result reflects the recovery of domestic production and business activities, as well as the effectiveness of tax collection efforts and the expansion of the tax base.

	2M2026	%Plan	%YoY	2026 Plan
State budget revenue	**601,300**	**23.77%**	**20.31%**	**2,529,467**
- Taxes and fees	558,100	25.37%	22.69%	2,199,967
- From crude oil	5,100	11.86%	-37.04%	43,000
- From export-import	38,000	13.67%	62.39%	278,000
State budget expenditure	**311,000**	**9.84%**	**5.85%**	**3,159,106**
- Investment and development expenditure	42,500	3.79%	-29.64%	1,120,227
- Interest payments	27,100	22.37%	16.31%	121,131
- Recurrent expenditure	241,000	13.32%	14.76%	1,808,996
Budget balance	**290,300**			**-629,639**

Revenue from crude oil in the first two months of the year reached only VND 5.1 trillion, equivalent to 11.9% of the annual estimate and down 37.04% YoY. This decline continues to reflect the diminishing role of crude oil revenue in the overall state budget.

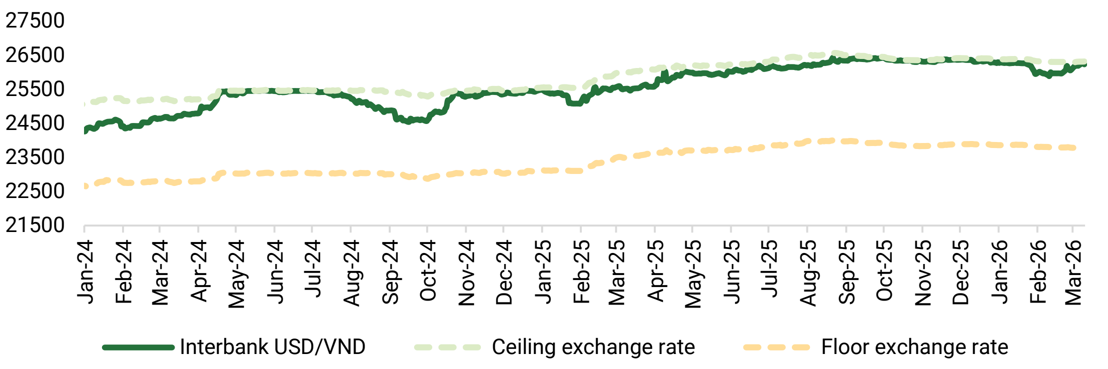


Public investment disbursement has reached only 3.8% of the annual plan, which remains relatively low compared to the requirements for supporting growth. However, this trend is consistent with previous years, as investment preparation, bidding procedures, and site clearance are typically finalized gradually in the early months of the year. Nevertheless, to ensure the full-year target is achieved, the pace of disbursement will need to accelerate in the coming quarters.



Source: GSO, PHS complied

The USD/VND exchange rate fluctuated sharply in February. Before the Lunar New Year, the rate declined to a low of 25,860 thanks to strong inflows (remittances, FDI), high cost of funds, a weaker DXY, and easing pressure in the unofficial market. However, after the holiday, USD/VND rebounded quickly and is now trading near the ceiling, as the DXY strengthened amid rising US–Iran tensions, while inflows slowed and demand for USD increased to unwind forward contracts with the SBV.



Source: Refinitiv, PHS complied

- Economic activity in February was significantly affected by the Lunar New Year holiday. Therefore, to accurately assess the domestic economic situation, we believe it is necessary to consider the average growth of the first two months of 2026 compared with the same period in 2025. Accordingly, industrial production continued to maintain positive momentum with growth of 10.4% YoY, significantly higher than the 7.5% recorded in the same period last year. The PMI index improved to 54.3 points (from 52.5 points in January), also marking the highest level in the past four months. The recovery in demand boosted output and new orders, pushing business confidence to the highest level in 41 months, although input costs are rising at the fastest pace since June 2022.

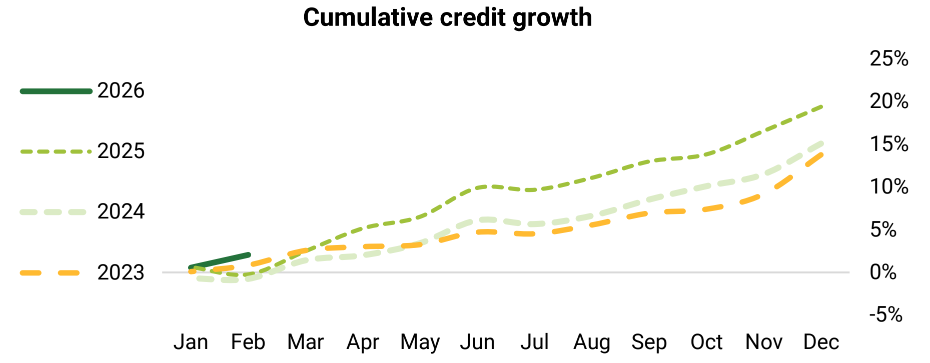
- Along with the improvement in the manufacturing sector, export activities in the first two months of the year also recorded strong growth (+18.3% YoY). However, imports of raw materials increased even faster (+26.3% YoY) to support production, particularly imports of electronic components for Samsung's new product launch cycle (S26, S26+ and S26 Ultra). The significant gap between import and export growth resulted in a trade deficit of nearly USD 3 billion in the first two months of the year. In terms of investment, FDI inflows remained relatively positive, particularly in disbursement and newly registered capital. Meanwhile, the pace of public investment disbursement remained slow due to investment preparation procedures and the later timing of the Lunar New Year holiday, which partly disrupted construction progress and project acceptance.

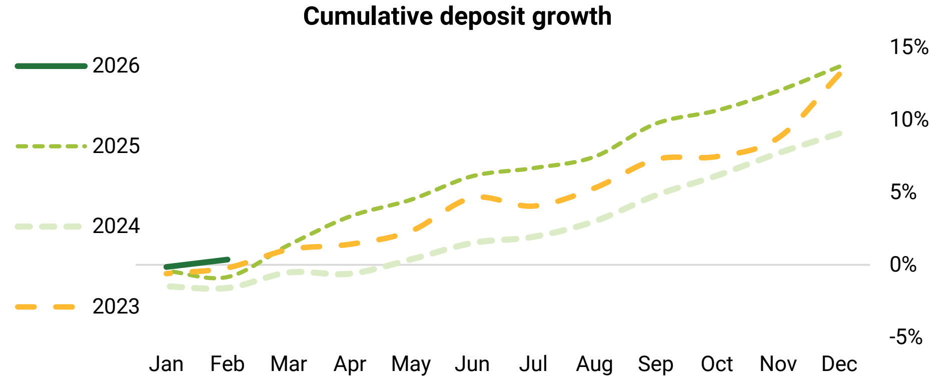
- The global energy market is facing a supply shock as crude oil prices fluctuate sharply. The surge in global oil prices has also pushed domestic fuel prices up by around 30–50%. To help stabilize the domestic market, the Government has quickly issued Decree No. 72/2026/ND-CP, adjusting the most-favored-nation (MFN) import tax rates for several petroleum products and production inputs, aiming to ease input cost pressures for businesses and help contain domestic inflation.

⇒ **Amid rising geopolitical risks and sharp swings in energy prices, Vietnam's growth outlook for 2026 may confront greater challenges than initially expected. Persistently high oil prices not only add to inflationary pressure but also drive up input costs across the board—from transport and industrial production to trade and household consumption—thereby squeezing profit margins and complicating firms' expansion plans. March CPI is projected to surge while FDI disbursements could slow. Meanwhile, the manufacturing sector faces shortages of key raw materials. Q1 GDP is estimated at 7–7.5% (down from 8.0% previous est.). Should geopolitical tensions persist, we will reassess our macro forecasts—covering GDP growth, trade, and inflation for the whole of 2026—to better reflect the risks stemming from the global economic environment.**

Indicator	Government plan for 2026	2M2026	PHS 2026F
GDP (%YoY)*	**>10%**		**8.5%**
Average CPI (%YoY)	**4.5%**	**2.9%**	**3.9%**
Urban unemployment rate	<4%		3.0%
Credit growth		+0.57%	15%
Disbursement rate compared to plan	>95%	3.8%	80%
Import growth (YTD YoY)		26.3%	8.7%
Export growth (YTD YoY)		18.3%	8.2%
IIP growth		10.4%	8% - 10%
Retail sales growth		7.9%	8% - 10%
FDI disbursement (% YoY)		8.8%	6 - 8%

As of 09/03/2026	
Average 12-Month Deposit Interest Rate	5.94%
SJC (million VND/tael)	180.8- 184.1
USDVND exchange rate	26,275 (-0.1% YTD)
VNT 10yrs bond yield	4.17% (+14 bps YTD)





Source: PHS complied as of 09/03/2026

❖ In February, the USDVND exchange rate recorded notable volatility under the simultaneous influence of multiple domestic and external factors. Before the Lunar New Year holiday, the exchange rate declined sharply and at one point retreated to around 25,860. However, after the holiday, the trend quickly reversed as USDVND rebounded and is currently trading close to the upper band. The upward pressure mainly stemmed from the recovery of the U.S. dollar in international markets, reflected in the rise of the DXY index amid escalating geopolitical tensions, which in turn boosted demand for safe-haven assets. Domestically, foreign currency supply showed signs of slowing after the peak period before Tet, while demand for USD increased, particularly related to the settlement and cancellation of forward selling contracts with the State Bank of Vietnam.

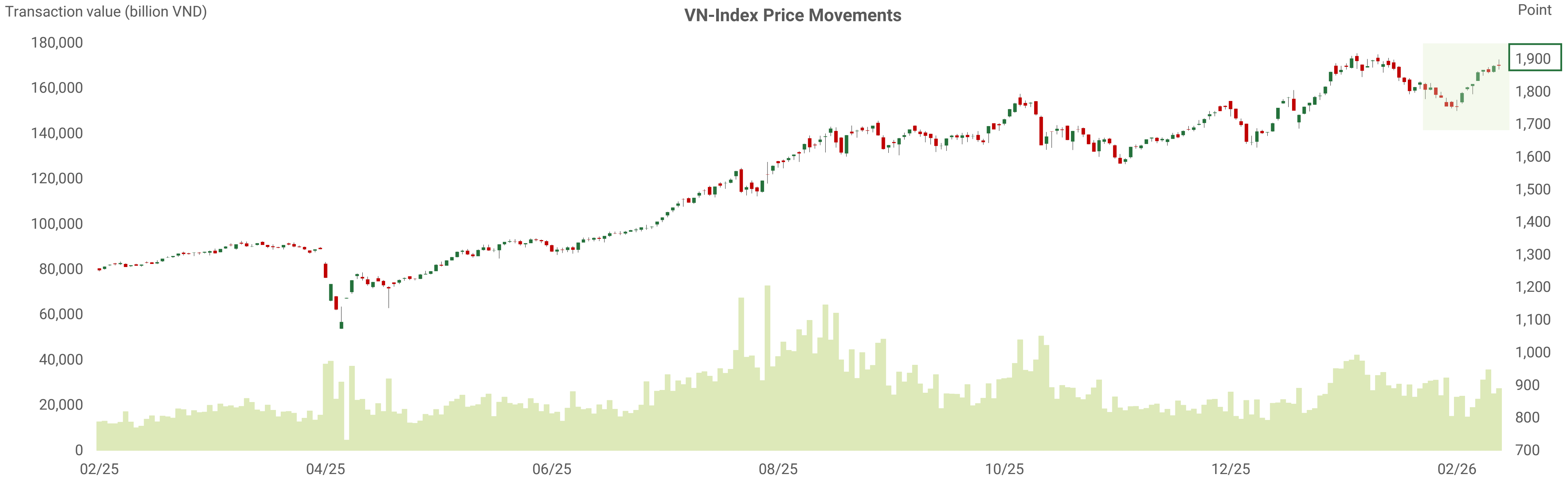
⇒ **Looking ahead, we believe the exchange rate will continue to face pressure, especially during April–May when demand for imported raw materials typically rises and FDI enterprises accelerate profit repatriation abroad. In addition, the US–China meeting at the end of March could become a potential trigger for new volatility in the global foreign exchange market. Accordingly, the most likely scenario is that the exchange rate continues to fluctuate around the upper band; if geopolitical tensions persist, oil prices continue to rise and exert pressure on inflation, the State Bank of Vietnam may have to raise the upper band and maintain the use of forward FX selling instead of shifting to spot FX intervention.**

❖ In February, the money market witnessed significant fluctuations in interbank interest rates, with a clear divergence between the periods before and after the Lunar New Year holiday. Specifically, ahead of the holiday, tightening liquidity conditions pushed interbank rates sharply higher; however, shortly after Tet, the rate environment quickly cooled as system liquidity improved. In the primary market, many commercial banks continued to adjust deposit rates upward in order to narrow the gap between deposit and credit growth, consistent with PHS's earlier assessment in the annual strategy report.

⇒ **Going forward, as the global economic environment remains subject to various uncertainties that could affect Vietnam's growth outlook, the State Bank of Vietnam will likely consider more supportive policy measures to accompany the economy. Nevertheless, this does not imply a trade-off between macroeconomic stability and growth. We believe that providing liquidity support to the market is necessary to maintain macroeconomic balance and mitigate the risk of repeating pressures similar to those experienced in 2022. As such, interbank interest rates are expected to remain around 4.0–5.0% for the ON tenor in March.**

EQUITY MARKET

Rising risks at the peak, the index faces multiple challenges



Significant events in February 2026

- Late Jan: Offshore oil field discovered in Vietnam.
- 02/02: Vietnam's January PMI registered 52.5 points, edging down modestly from the prior month.
- 04/02: Overnight interbank lending rates surge sharply to 17–21% p.a.
- 10/02: SBV conducts net open market injections of up to VND 160,000 billion, effectively easing liquidity pressures.
- 11/02: Vietnam officially launches its International Financial Center.
- 13/02: BIDV suspends lending to real estate projects amid the SBV's tightening of credit growth controls in the sector.
- 25/02: The SSC mandates a public company status review for SOEs and their listed subsidiaries.

01/02: President Trump nominates Kevin Warsh as incoming Federal Reserve Chair.

03/02: OPEC+ defers planned output increases through end of Q1/2026.

14–22/02: Tet Nguyen Dan holiday — Vietnam stock exchanges closed.

20/02: The U.S. Supreme Court rejects Trump’s reciprocal tariffs.

21/2: President Trump escalates global tariff rates to 15%.

Late Feb: U.S.-Iran negotiations break down, compounding geopolitical risk.

Global equities diverge, with signs of short-term topping

Market Performance in February 2026

Country	Index	% MoM
	Dow Jones Index	0.2%
	NKY Index	10.4%
	SHCOMP Index	1.1%
	TWSE Index	10.5%
	KOSPI Index	**19.5%**
	DAX Index	3.0%
	STI Index	1.8%
	SET Index	15.3%
	FBMS Index	-0.5%
	JCI Index	-1.1%
	PCOMP Index	4.5%
	NIFTY Index	-0.6%
		2.8%
Intermarket	Dollar Index	0.6%
	Gold	7.9%
	Bitcoin	-14.7%
	Crude oil WTI	2.8%
Interbank interest rates	4.8% overnight l 7.2% 1M tenor	

Source: Bloomberg, PHS compiled

Global equities showed clear regional divergence. In Asia, South Korea led performance, supported by gains in technology and semiconductor stocks. However, in several markets that have rallied strongly, the advance has become increasingly steep and volatile, resembling a late-stage "blow-off" move and signaling potential short-term topping risks. Meanwhile, major markets such as Wall Street have also failed to break above their historical highs.

Gold loses momentum as the USD shows signs of bottoming. Global gold prices have stalled despite rising geopolitical risks. This largely reflects the rebound in the US dollar and US Treasury yields, which has reduced gold's appeal. At the same time, gold ETFs have seen notable outflows, with SPDR Gold Trust recording net sales of more than 25 tonnes of gold in the first week of March.

Interbank rates remain volatile. During the month, the VND overnight interbank rate at one point surged above 17% p.a., reflecting seasonal factors ahead of the Lunar New Year and rising short-term funding demand. After the central bank injected liquidity through open market operations, rates eased toward month-end but remained at relatively elevated levels. The wide fluctuations suggest that system liquidity remains sensitive to short-term shocks.

US (Dow Jones)

l Gold

Korea (Kospi)

l Dollar Index (DXY)

Source: TVC; PHS compilation as of 09/03/2026

The first week of March heated up amid escalating geopolitical tensions

Tensions between the United States and Iran escalated sharply in late Feb 2026 after the U.S., in coordination with Israel, carried out airstrikes targeting military facilities and weapons infrastructure in Iran. This development has heightened geopolitical risks in the Middle East—a region that plays a central role in the global energy supply chain. **We note that targets in potential retaliatory strikes could expand to include critical economic infrastructure or allied countries. Should tensions continue to escalate, the risk of supply chain disruptions may become more complex.**

The Strait of Hormuz handles nearly 20–30% of global crude oil shipments.

Vessel traffic through the area fell by 70–80% in the early days of the crisis, with hundreds of oil and LNG tankers forced to anchor outside the Persian Gulf.

- **28 Feb 2026:** The U.S., in coordination with Israel, carried out airstrikes on multiple military targets and facilities linked to Iran's nuclear program, marking the most significant escalation in bilateral tensions in years.
- **01 Mar 2026:** Iran's Supreme Leader Ali Khamenei was killed in the U.S.–Israel airstrikes. Iran launched missiles and UAVs in retaliation, targeting U.S. and allied assets across the Middle East, raising the risk of broader conflict.

  Iran also warned it could close the Strait of Hormuz.
- **02 Mar 2026:** Iran's Islamic Revolutionary Guard Corps (IRGC) declared the closure of the Strait of Hormuz and warned it would attack any vessels attempting to pass through. On the same day, Iran confirmed a UAV strike on the oil tanker Athe Nova.
- **03 Mar 2026:** Oil transport through the Strait of Hormuz experienced localized disruptions, with several tankers altering their routes. War-risk insurance premiums for oil tankers in the Persian Gulf rose sharply.
- **04–05 Mar 2026:** The U.S. increased the deployment of naval forces and missile defense systems in the Middle East, and considered naval escorts for oil tankers passing through Hormuz.
- **07 Mar 2026:** The U.S. and Israel conducted their first strikes on Iran's oil storage facilities (economic targets).

  Iran reiterated that it would respond forcefully if further attacks occur, keeping geopolitical escalation risks elevated.

Source: PHS compiled

Commodities show heightened volatility, with potential inflation risks if tensions persist

Commodity Market Movements as of March 9, 2026

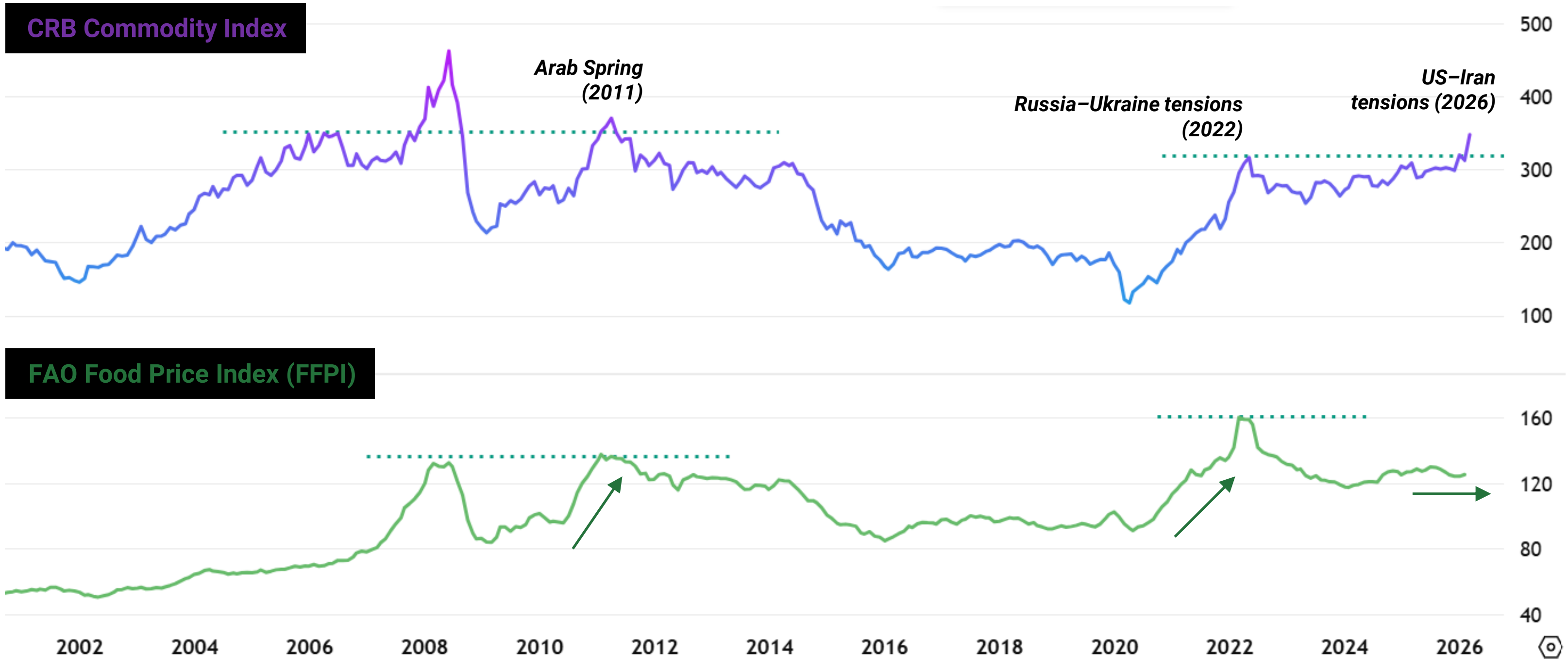
	Price (*)	% MoM	% YTD
WTI crude oil	94.77	47.2%	65.0%
Brent crude oil	98.96	43.3%	62.6%
Urea	652.5	34.5%	60.1%
PVC	5167	9.7%	15.1%
Rubber	373.5	8.3%	10.4%
Natural gas	3.12	-0.6%	-15.4%
Gasoline	280.84	41.4%	64.7%
Wheat	598	13.1%	17.9%
Pork	94.83	8.9%	11.4%
HRC	1017	4.1%	8.8%
Iron ore	815.5	0.9%	1.0%
Steel	3115	6.5%	0.3%
Gold	5139.6	1.6%	19.0%
Silver	87.01	4.4%	22.0%
Copper	5.80	-2.7%	2.1%
BDTI	3040	77.8%	130.5%
WCI	2147.8	22.9%	17.5%

(*) Price units vary by commodity and exchange.

Source: Bloomberg, PHS compiled

The commodity cycle has weakened, but elevated price levels keep inflation risks present. Rising tensions between the United States and Iran have triggered significant volatility across global commodity markets, particularly in energy and metals, as risks of supply disruptions through the Strait of Hormuz intensify. However, unlike the shocks in 2011 and 2022—when global commodities were in a clear upcycle across energy, metals, and agricultural products—the current backdrop appears less supportive. This was reflected in the strong uptrend of the FAO Food Price Index (FFPI) during those earlier periods. In contrast, the 2025–2026 period shows the FFPI cooling and moving sideways, suggesting that cyclical momentum is not as strong as before. Nevertheless, commodity prices remain elevated relative to historical averages, leaving markets sensitive to potential energy shocks.

We note that sectors with high sensitivity to commodity price movements (such as Oil & Gas, Chemicals, Mining, and Transportation) may experience heightened volatility in the near term. However, reversal risks remain considerable should geopolitical developments shift..



Source: TVC; PHS compilation as of 06/03/2026

Reviewing recent energy shocks and the market backdrop

The shocks in 2011 and 2022 occurred during a clear upcycle in global commodity markets, when supply was directly disrupted and surging oil prices acted as an amplifying catalyst. **In the current US–Iran tensions, risks are mainly concentrated around the strategic shipping route through the Strait of Hormuz, causing oil prices to react through a rising geopolitical risk premium rather than a direct supply shock. The likelihood of a major supply disruption similar to previous episodes appears lower. In addition, oil reserves in many countries have been strengthened, providing room for intervention and price stabilization measures.** However, in a scenario where tensions persist or escalate across the Middle East, the risk of energy supply chain disruptions could become more complex. This would not only put upward pressure on oil prices but also indirectly affect other commodity groups through higher energy, transportation, and production costs.

	Middle East unrest – Arab Spring (2011)	Russia–Ukraine tensions (2022)	US–Iran tensions (2026)
Time	2010–2011: Widespread protests across the Middle East and North Africa, particularly the civil war in Libya.	Outbreak in 02/2022 when Russia launched a military campaign in Ukraine.	Escalation since late 02/2026 following US and Israeli strikes on Iran.
Economic backdrop	The global economy was recovering from the 2008 Global Financial Crisis, driving strong commodity demand. Libya accounted for around ~2% of global oil supply at the time, with a crude grade that was difficult to replace.	The global economy was recovering from COVID-19, while supply chains remained disrupted. Russia was among the world's largest oil producers and exporters at the time.	The global economy has entered a cooling phase after the monetary tightening cycle in 2022–2024. Iran had long faced international sanctions, with China accounting for nearly 90% of its oil exports.
Oil price reaction	Brent oil rose above USD 125/bbl. WTI exceeded USD 113/bbl.	Brent oil surged above USD 120/bbl. WTI rose above USD 115/bbl.	Brent briefly exceeded USD 100/bbl, while WTI rose above USD 110/bbl. However, prices quickly reversed and have yet to surpass the 2022 peak.
Inflation	Global commodity inflation surged as energy, metals, and agricultural prices all moved higher.	Global inflation surged during 2022–2023 due to energy and food shocks.	Inflation may face renewed pressure, but the high base effect suggests a more limited impact.
Monetary policy (interest rates)	Global monetary policy remained accommodative after the 2008 crisis, with interest rates at low levels.	Major central banks such as the Federal Reserve and the European Central Bank raised rates aggressively to curb inflation.	Interest rates are currently on a cooling path, though geopolitical tensions could slow the easing process.
Market valuation	Global equity markets were in a recovery cycle following the 2008 financial crisis.	Equity valuations were elevated following the post-COVID monetary stimulus period.	Market valuations in many markets are at relatively fair levels, implying lower sensitivity to energy shocks.

Nguồn: PHS tổng hợp

The correction creates significant upside potential, but selectivity will be higher

Sector Index	Movement Trend: Closing price (09 Mar 2026)	Movement Trend: vs. Apr 2025 low	Movement Trend: MA200	P/E: Current	P/E: 1-year Average	P/E: 10-year Median
Automobiles & Parts	350.2	-16%	-20%	6.5	19.1	13.0
Banking	708.3	38%	-3%	8.8	10.1	11.3
Basic Resources	490.9	45%	7%	15.9	19.0	11.5
Chemicals	321.6	54%	14%	17.2	16.9	13.1
Construction and Materials	334.9	4%	-9%	8.9	11.2	14.7
Financial Services	920.9	56%	-3%	13.5	19.1	13.2
Food and Beverages	742.5	4%	-22%	16.1	18.3	20.7
Healthcare	1,060.0	29%	4%	16.7	16.5	15.0
Industrial Goods & Services	296.3	-26%	-29%	13.6	15.5	16.5
Insurance	422.6	62%	15%	14.4	14.4	17.6
Media	600.8	14%	-9%	37.9	11.3	16.6
Oil & Gas	182.0	202%	85%	26.9	27.9	15.1
Personal & Household Goods	171.0	53%	10%	10.1	10.8	11.3
Real Estate	982.9	152%	17%	17.9	21.6	21.2
Retail	1,501.9	63%	1%	16.1	22.1	16.6
Information Technology	647.6	-11%	-21%	13.8	19.5	15.1
Telecommunications	1,053.2	45%	1%	23.0	30.4	33.8
Tourism and Leisure	39.4	49%	-10%	23.3	22.9	14.9
Utilities	7,841.7	63%	23%	15.0	15.1	14.0
Vn-Index	1,652.8	51%	1%	13.3	14.3	15.5

Strong | Medium | Weak

(*) The Real Estate sector index is influenced by Vingroup stocks; excluding them, the sector is currently trading below the MA200.

Stock selection phase – Testing the medium-term trend

Following the escalation of geopolitical tensions, correction pressure in the market has become more evident as many stocks declined sharply, with some even falling below the lows formed during the tariff pressure in Apr 2025. Price levels of many stocks have also retreated toward long-term support zones, around the 200-day moving average (MA200), suggesting that **the market is entering a phase of testing its medium- to long-term trend.**

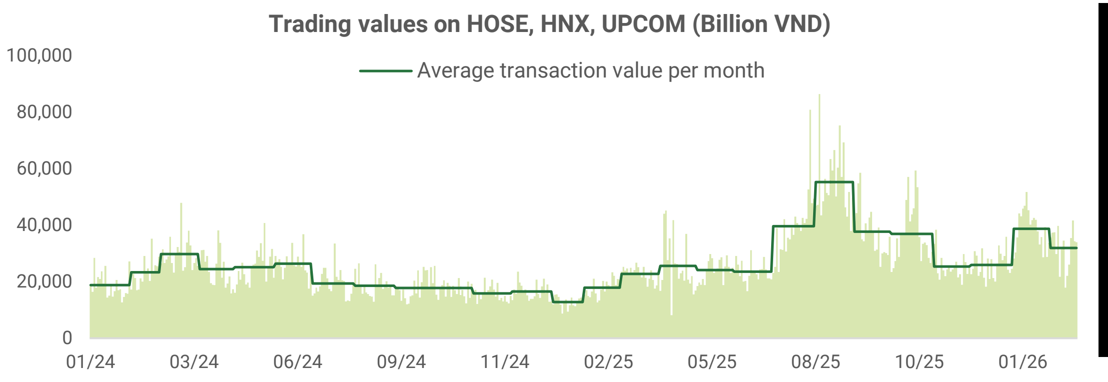
Several weakening sectors have lost the MA200 and continue trading below this level, thereby increasing the risk of forming a downtrend, notably Technology and Industrial Goods & Services. In contrast, sectors that still maintain relatively positive momentum include Oil & Gas, Utilities, and Chemicals. This development suggests **that the market will move into a more strongly differentiated phase, and the upward trend will no longer be as broad-based as in the previous period.**

In the current environment, we believe risk management should go hand in hand with investment strategy. Priority should be given to companies with strong fundamentals, low leverage, and those maintaining long-term price structures above the MA200. With funding costs still at relatively elevated levels, capital flows are likely to become more selective. Companies with high financial leverage may continue to face pressure in the coming period. Conversely, **the recent correction may create meaningful upside opportunities for financially solid companies that remain focused on core operations and maintain strong defensive characteristics.**

Source: FiinProX, PHS compiled

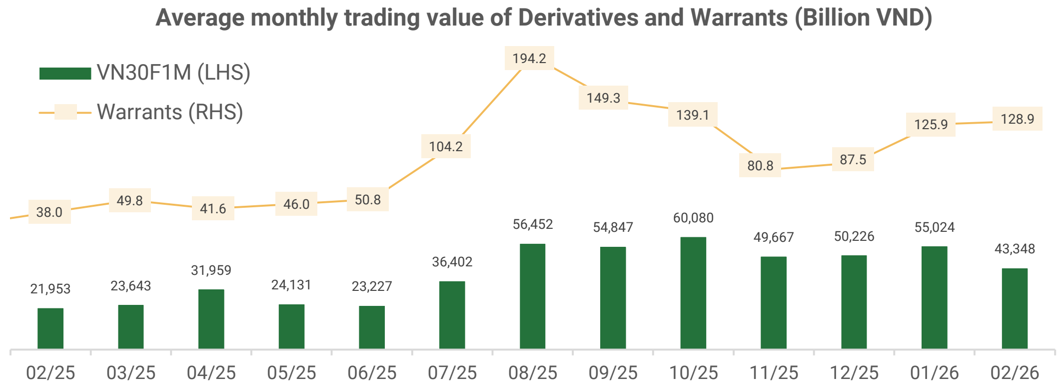
Liquidity declined in February due to the Lunar New Year holiday

Average daily trading value across the three exchanges in February 2026 reached nearly VND 32 trillion, down about 16.6% MoM, mainly due to the Lunar New Year holiday period.



Source: FiinProX, PHS compiled

Trading value of covered warrants edged up slightly, while derivatives declined.



Source: FiinProX, PHS compiled

P/E has rebounded toward its 10-year average, suggesting the market is trading at a relatively fair valuation. However, it remains well below the peak levels seen in 2021–2022.

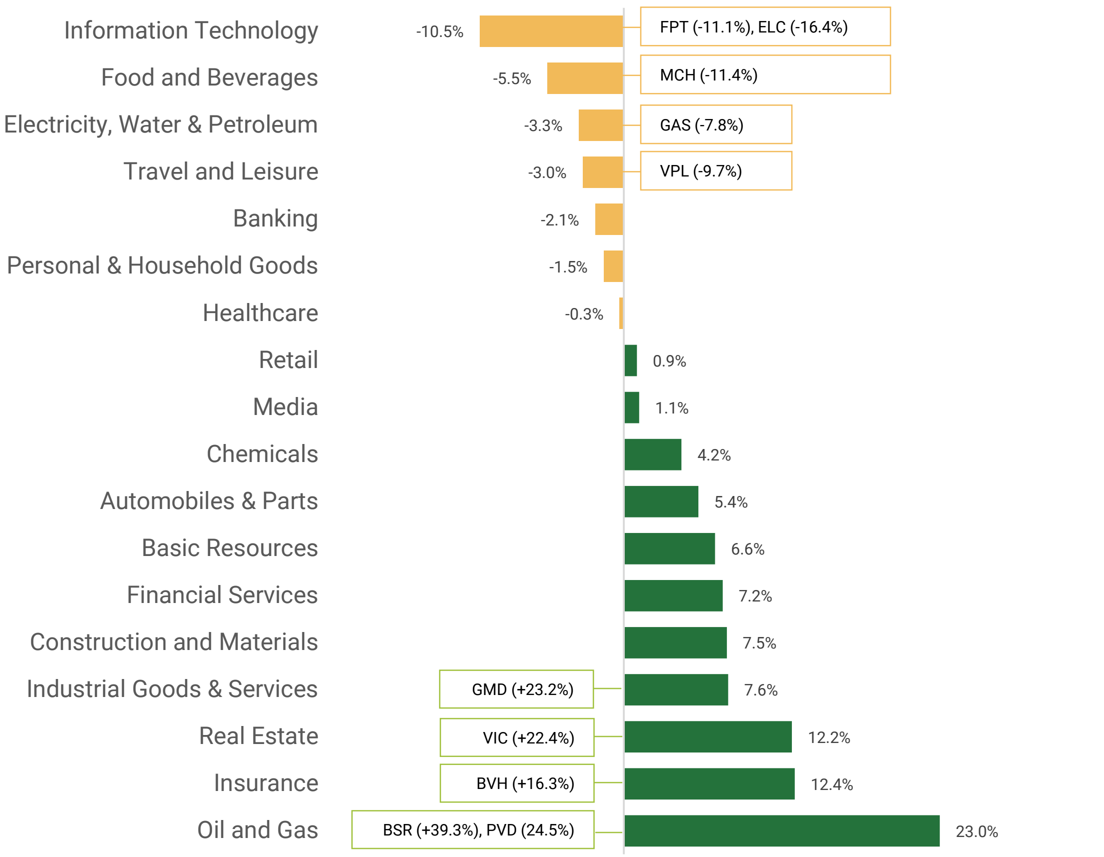
Source: FiinProX, PHS compiled

- **Market liquidity declined in February amid the Lunar New Year holiday period, leading to more subdued trading sentiment.** With the earnings season largely behind and expectations partly priced in, market catalysts have become scarce. Meanwhile, rising uncertainties—including escalating geopolitical tensions, a sharp increase in interbank rates, and tighter real estate credit—have made capital flows more cautious.
- Covered warrant trading remained relatively stable, with average daily value reaching over VND 128 billion, up slightly by 2.3% MoM. Derivatives trading value declined, averaging over VND 43 trillion per session, down nearly 21% compared to the previous month.
- **Market valuation remains at a relatively fair level.** As of February 27, 2026, the market was trading at a P/E of 15.25x, close to the 10-year average of 15.35x and above the 5-year average of 14.32x. However, compared with the peak in 2021–2022, when the market traded at around 18–19x P/E, the upside potential remains relatively attractive.

VIETNAM STOCK MARKET

Lack of leadership in the index's rally, making the market more fragmented

Sector Performance on HOSE in February (MoM)



Source: FiinProX, PHS compiled

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

	Positive contribution			Negative contribution		Vn-index
	(%)	Point		(%)	Point	+51.3 Points
VIC	2.83	51.8	**VCB**	-0.55	-10.0	
BSR	0.51	9.4	**BID**	-0.49	-9.0	
TCX	0.20	3.5	MCH	-0.27	-5.0	
HPG	0.18	3.3	GAS	-0.26	-4.7	
MBB	0.12	2.2	FPT	-0.23	-4.2	
GEL	0.11	2.0	VPL	-0.19	-3.4	
BVH	0.10	1.8	MSN	-0.08	-1.5	
VHM	0.10	1.8	VNM	-0.06	-1.1	
VPX	0.09	1.7	**CTG**	-0.05	-0.8	2.8%

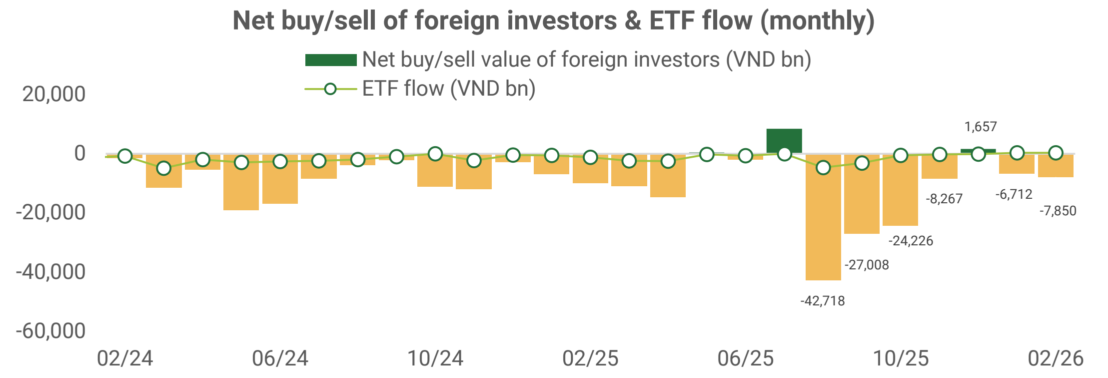
Trading highlights in February 2026

- Sector performance remained relatively resilient in Feb, though gains were mainly driven by large-cap leaders, while the broader group was less notable. Oil & Gas led sector performance, supported by BSR and PVD, while Technology recorded the weakest returns.
- Resolution 79 initially triggered a positive trading wave in SOEs early in the year, but the momentum faded quickly. **The market has begun to reprice expectations amid persistent macro uncertainties, leading to increased profit-taking and more fragmented capital flows.** Notably, VIC resumed its leadership role, contributing more than 2.8 ppts to the overall index gain.
- New listings also helped support the index, with TCX, GEL, and VPX contributing to the upside. This reflects growing market divergence, as the lack of clear leadership has prompted capital rotation toward newly listed names as alternative drivers..

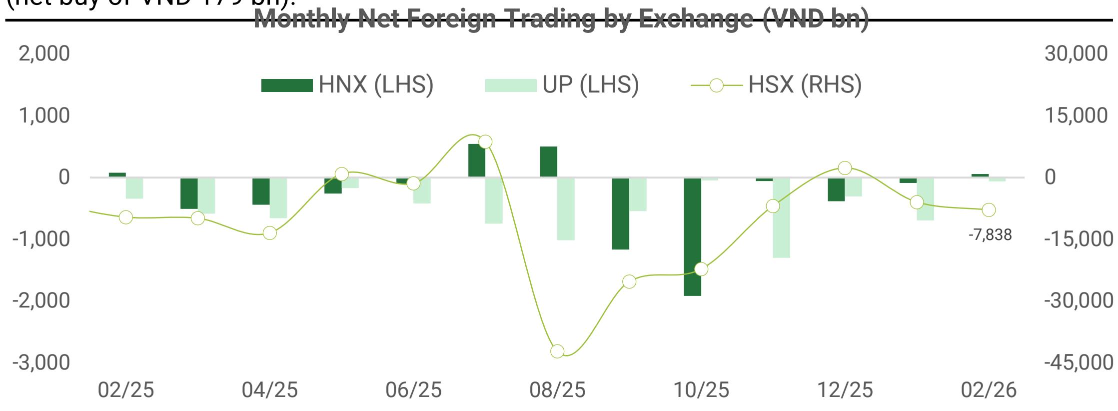
We believe the market currently lacks a clear leadership driver, with rotation among large-cap stocks only partly helping to stabilize the index. Stronger catalysts are needed for a breakout; otherwise, correction pressure may rise if demand weakens.

Foreign investors continue net selling, while ETF inflows remain resilient in Asia

Foreign investors continued net selling in Feb, increasing by more than VND 1 trillion MoM. We view this mainly as short-term portfolio rebalancing, with activity likely to intensify ahead of the FTSE upgrade review in late March.



Foreign investors recorded strong net selling on HOSE, while trading value declined significantly on HNX and UPCoM. HNX saw slight net buying, mainly concentrated in PVS (net buy of VND 179 bn).



Source: Bloomberg, FiinProX, PHS compiled

Regarding ETF flows, Vietnam recorded renewed net inflows in Feb after a prolonged period of outflows. At the regional level, Asian markets also saw notable inflows, particularly in South Korea and Japan.

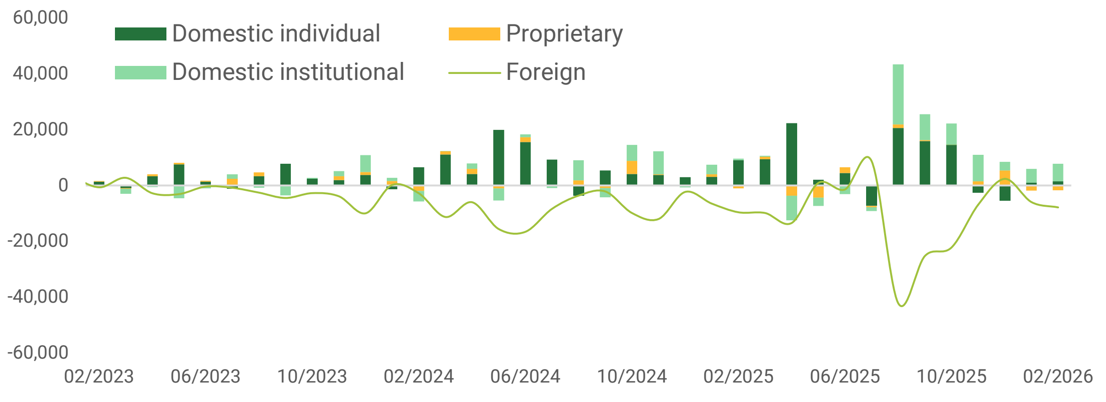
Market	08/25	09/25	10/25	11/25	12/25	01/26	02/26
Hong Kong	11,752	8,233	6,229	7,928	4,142	7,409	8,047
India	110	273	2805	625	700	363	929
Japan	-2,811	3,063	4,882	-4,047	1,829	1,501	5,660
S. Korea	1,648	3,927	3,242	6.363	2,054	8,960	11,850
Taiwan	-1,035	-1,489	1,256	5,207	429	-1,005	953
Vietnam	**-174**	**-66**	**-21**	**-8**	**-52**	**13**	**19**
Thailand	-36	-19	8	-27	7	34	31
Indonesia	71	-8	26	-26	83	13	1
Malaysia	2	13	28	2	17	56	27
Philippines	3	1	2	9	7	55	9
Singapore	129	212	1	7	-12	174	168

Source: Bloomberg, PHS compiled

New investor accounts declined for a second straight month

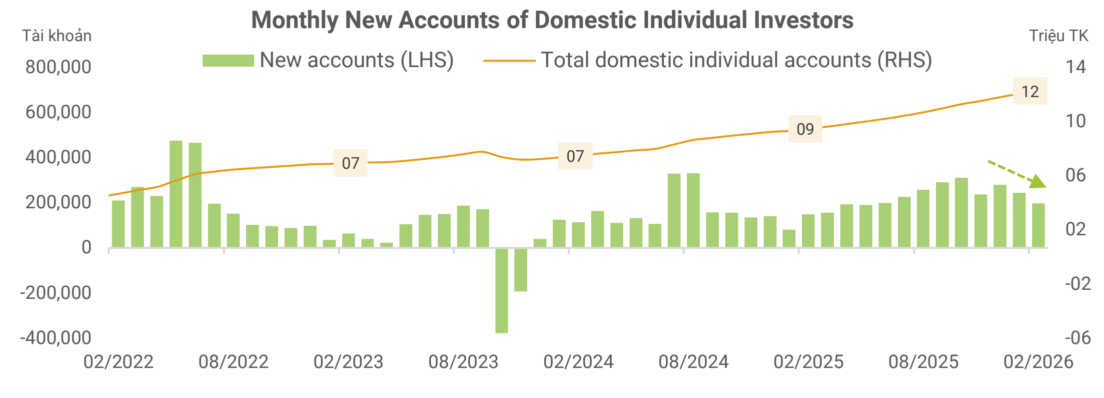
Monthly net trading on HOSE by investor type (VND bn)

Domestic institutions (excluding Proprietary trading) remained the main net buyers.



Source: FiinProX, PHS compiled

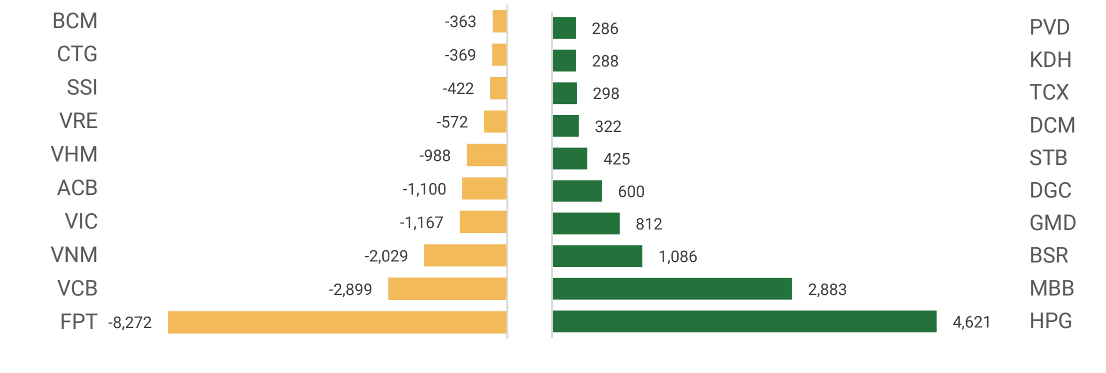
New accounts by domestic individual investors continued to decline in early months of the year.



Source: VSD, PHS compiled

Top net bought/sold stocks by foreign investors on HSX in Feb 2026

Notable portfolio adjustments by foreign investors: PYN Elite Fund reduced its weighting in FPT (to 6.6%) while increasing exposure to HPG (accounting for 7.3% of the portfolio).



Source: FiinProX, PHS compiled

- **Regarding trading by investor groups,** Proprietary trading desks also recorded net selling in Feb, totaling more than VND 1.7 tn on HOSE (mainly HPG, VPX, VIC, SHB). In contrast, domestic individual investors remained net buyers for a second straight month, though the value was not significant. The main net buying came from domestic institutions (excluding proprietary trading), reaching more than VND 6.3 tn. **The rotation of roles among domestic investor groups has helped reinforce the presence of local capital in the market.**
- Domestic institutions (ex-prop trading) were strong net buyers of FPT (nearly VND 4.3 tn), VNM (over VND 1.4 tn), VCB (over VND 1.4 tn) and VHM (over VND 1 tn).
- **New domestic individual investors continued to cool,** following a rebound in Dec 2025. New accounts declined from 244k to nearly 198k, below the 1-year average of over 220k accounts. Cumulatively, the total number of domestic individual accounts has reached nearly 12.24 million.

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

Scenario:

✓ Positive (25%): 1760 - 1840

✓ Basic (45%): 1620 - 1750

✓ Negative (30%): 1530 – 1600

Priority sectors

✓ Oil and Gas, Chemicals, Utilities

Technical Analysis:

✓ Price has fallen below the 20-day and 50-day MAs, as well as the 1,800 psychological level.

✓ MACD crossed below the signal line into negative territory, while RSI fell below its midline, indicating weakening momentum.

✓ Market breadth has deteriorated, as leading sectors also lack consensus.

➔ **Correction pressure is dominating price movement. However, we expect the 1,600 level—a strong medium-term support—to provide solid support and help the index hold above this threshold. Under a more cautious scenario, a retest of the 1,500 level remains possible if geopolitical tensions continue to escalate.**

RECOMMENDATION

SECTOR AND STOCK INVESTMENT THEMES
Recommended Portfolio Performance – Feb 2026

Ticker	Sector	Stock price 12/02/2026	Recommendation	Target Price	Closing Price / Performance	Stock price 11/03/2026	Price Movement – Feb 2026
HPG	Steel	26,800	Overweight	30,200		27,400	2.2%
MSN	Consumer Goods	78,200	Overweight	88,00	74,000 / (-5.0%)	73,000	
DDV	Chemicals	28,000	Buy	32,500	34,000 / 20.0%	28,800	
CTD	Construction	80,100	Overweight	90,000	90,000 / 12.4%	80,000	
BVB	Banking	13,200	Overweight	15,400		12,100	-9.2%
ACB	Banking	23,850	Buy	31,200		23,200	-2.7%
SSI	Financial Services	31,250	Buy	39,200		30,250	-3.2%
HCM	Financial Services	23,300	Buy	28,500		22,650	-2.8%
						VN-Index	-4.7%

SECTOR AND STOCK INVESTMENT THEMES
Recommended Portfolio – Mar 2026

Ticker	Sector	Recommendation	Stock price 11/03/2026	Target Price	Upside	Note
DGC	Chemicals	Overweight	77,700	86,000	11%	
HPG	Steel	Overweight	27,400	30,200	10%	
BVB	Banking	Buy	12,100	15,400	27%	
ACB	Banking	Buy	23,200	31,200	34%	
SSI	Financial services	Buy	30,250	39,200	30%	
HCM	Financial services	Buy	22,650	28,500	26%	

STOCK		STRATEGY
Ticker	DGC	Overweight
Exchange	HOSE	
Sector	Specialty Chemicals	

Financial Ratio	
P/E (x)	9.5
P/B (x)	1.9
EPS	7965.1
ROE	21.3%
Stock Rating	BBB
Scale Market Cap	Medium

Technical Analysis:

- ✓ Price is forming a solid base, while rising liquidity suggests capital inflows returning.
- ✓ MACD remains above the signal line, while RSI stays above its midline, indicating recovering momentum.
- ✓ MA20 crossing above MA50 reinforces the medium-term rebound.
- ➔ Expect a bottom formation and recovery toward a higher price base.
- ➔ **Recommended entry zone: 75 - 76 l Target: 86 l Stop-loss: 69**

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

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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