



2026 Vietnam Outlook Report

14 January 2026

Vietnam Stock Market Enters Next Growth Phase

On 8 October 2025, FTSE Russell officially announced the reclassification of Vietnam's stock market from Frontier to Secondary Emerging Market status, effective 21 September 2026, subject to an interim review in March 2026. This marks a historic milestone in the 25-year development of Vietnam's capital market and reflects international recognition of the Vietnam's market significant progress in transparency, operational efficiency, and regulatory alignment.

This upgrade signals the beginning of a new growth chapter for Vietnam's stock market, with expectations of substantial foreign inflows, deeper market depth, stronger market reforms and innovation, and tremendous long-term investment opportunities in the coming years.

What to expect post FTSE Russell's reclassification

1. Substantial foreign inflows

The FTSE Russell's reclassification has heightened global investors' interest in Vietnam's equity market, given the tremendous opportunities it offers. Substantial fresh foreign flows are expected to enter the market in the coming years.

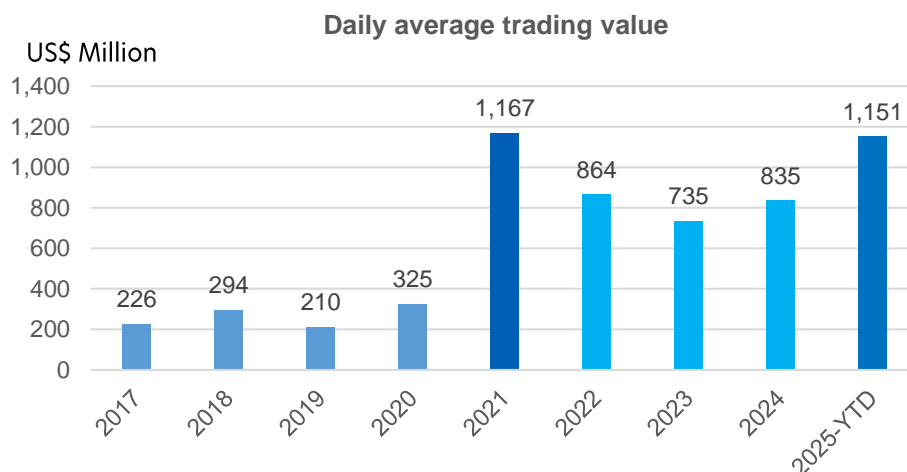
Preliminary estimates suggest that passive fund inflows could reach USD 500 million, with a potential allocation of 0.22% of Vietnam market in the FTSE Emerging Markets Index and of 0.34% in the FTSE Emerging All Cap Index. In addition to passive flows, active fund inflows are anticipated to be significantly higher - potentially 4 to 5 times of the passive number.

Fund Name	Fund AUM (USD mn)
Vanguard FTSE Emerging Markets ETF	103,838.4
Schwab Emerging Markets Equity ETF	11,450.5
Vanguard FTSE Emerging Markets UCITS ETF	4,489.0
Vanguard FTSE Emerging Markets All Cap Index ETF	2,242.9
Vanguard FTSE Emerging Markets ETF/Australia	1,040.6
JPMorgan Diversified Return Emerging Markets Equity ...	356.2
HSBC Emerging Market Screened Equity UCITS ETF	254.9
Invesco FTSE Emerging Markets High Dividend Low Vol...	197.8
Smart Emerging Markets ETF	127.6
Vanguard ESG Emerging Market All Cap UCITS ETF	77.2
Franklin FTSE Emerging Markets UCITS ETF	12.0
Cathay Ftse Emerging Markets Etf	5.1
Franklin FTSE Emerging ex China UCITS ETF	2.9
TOTAL	124,095.2

Source: Bloomberg, Vietcap Security company, UOBAMV compiled

2. Deepened market depth

The market upgrade has boosted investor sentiment, especially domestic ones who currently account for approximately 85% of market trading value, creating strong momentum that has pushed the VN-Index to new highs with significantly increased market liquidity in 2025 as shown below. The trend is expected to continue current positive traction and growth prospect.



Source: HSX, HNX, Upcom, UOBAMV compiled

3. Stronger market reforms and innovation

The Vietnamese government sends clear signals that they will continue stronger market reforms and innovation following the FTSE Russell's reclassification with the objectives to bring Vietnam stock market to FTSE's Advanced Emerging Market and MSC's Emerging Market status by 2030. Aggressive policies and actions have been observed such as amending

numerous laws and regulations to bring Vietnam's market closer to regional standards and peers. These draft laws are expected to be approved by the National Assembly in their plenary sessions in November and December this year.

Below are major proposed regulatory changes that would have deep impacts on the market:

a) Enhance market efficiency & liquidity

- Allow short-selling, intraday trading, and derivatives to increase market depth and flexibility facilitated by the new system KRX.
- Make IFRS adoption mandatory for listed companies after 2025 to improve accounting transparency and comparability to international standards.
- Permit currency hedging instruments to help investors manage FX risk for cross-border investments.
- Build Central Clearing Counterparty (CCP), target to launch by Q1 2027 to strengthen settlement resilience.
- Restructure the exchange system: Ho Chi Minh City Stock Exchange (HOSE) will focus on equities while Hanoi Stock Exchange (HNX) will focus on bonds and derivatives.

The government targets to raise daily market liquidity to USD 3-5 billion during 2027–2030 from currently USD 1-2 billion, to create a more vibrant and efficient marketplace for both issuers and investors.

b) Enhance supply to the market

- Remove company's right to set its foreign-ownership limit (FOL) below legal ceiling, laying the legal framework to eliminate FOL for non-restricted sectors to create more investment opportunities to foreign investors towards currently FOL stocks.
- Streamline IPO process, lowering execution risk for issuers; shorten administrative time from IPO completion to listing from 90 to 30 days to accelerate market access for investors; hence enhance the attractiveness of primary offerings to both domestic and foreign investors.
- Launch a pilot digital-asset market to broaden product diversification for sophisticated investors.

c) Restructure investor base to reduce retail-driven market volatility

- Increase institutional investors' participation in the market by allowing banks, insurers, and pension funds to invest in unit trusts and secured corporate bonds.
- Introduce new types of fund products to cater the evolving needs of investors.
- Provide tax incentives to encourage retail investors to invest through public funds.

The regulator targets to increase institutional investors' participation ratio to 30% by 2030 from the current level of less than 15%, and to 40% in the subsequent years.

d) Establish International Financial Centers

To achieve its broader objectives of making the capital market a key driver of economic growth and increasing market capitalisation to 100%-120% of GDP by 2030 from currently 73% (as of October 2025 per Bloomberg data), the government has started its ambitious initiatives of establishing International Financial Centers (IFC) in Ho Chi Minh City and Da Nang.

The IFCs are planned to adopt common law and international regulatory practices, offer tax incentives, and recognise both English and Vietnamese as official working languages - aligning Vietnam's legal and operational frameworks with global financial standards.

The Ho Chi Minh City IFC project is estimated to require VND 172 trillion (approximately USD 7 billion) in total investment capital. The core area alone will need about VND 16 trillion for implementation during the first two to three years.

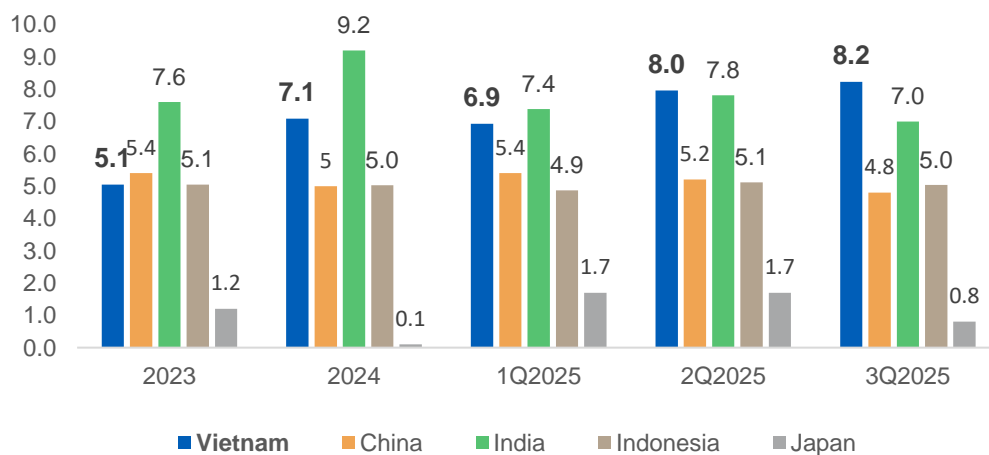
These initiatives reflect the government's long-term ambition to position Vietnam as a regional financial gateway, strengthening its capital market, and deepening integration into international financial system to attract more global investors. It will also underline Vietnam's transition from a bank-dominated financial system towards a more balanced, market-driven structure.

Vietnam offers tremendous investment opportunities

1. GDP growth rate continues to be outstanding

Despite the headwinds, Vietnam achieved a remarkable GDP growth rate of 7.85% in the first 9 months of 2025 and is on track to end this year at the government's target of 8%. This will make Vietnam one of the fastest growing economies in the region this year, if not globally. The Vietnamese government has set even more ambitious targets of double-digit growth rates for the next 5 years, with 2026 at 10%. The strong economic growth prospect continues to bode well for the stock market outlook.

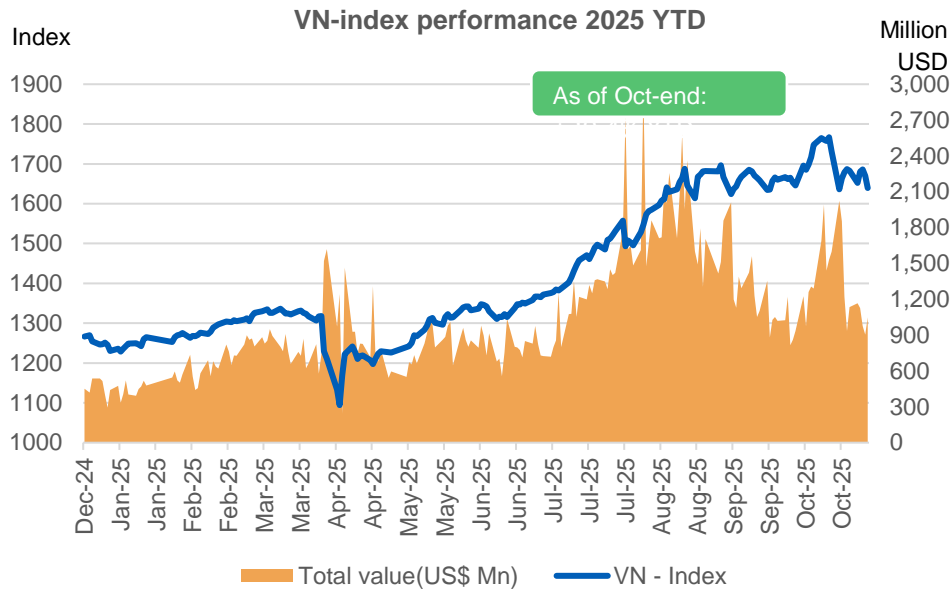
GDP growth of Vietnam vs other regional countries



Source: Bloomberg, UOBAMV compiled

2. Ongoing solid trajectory

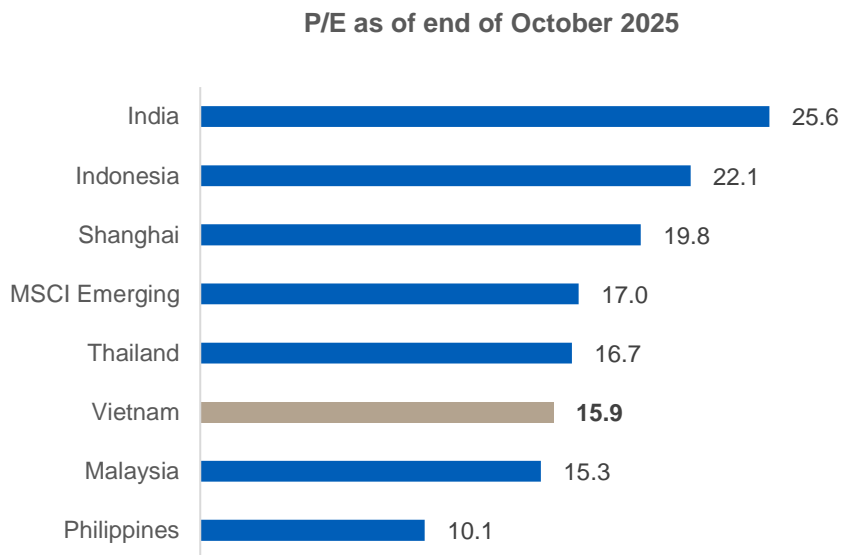
The Vietnam stock market has delivered a stellar performance year-to-date (YTD), posting a return of +29.4% in the first 10 months amid global uncertainties and headwinds, outperforming most peers in the region. The solid trajectory is expected to continue into 2026, supported by the economy's strong growth outlook.



Source: HSX, HNX, Upcom, data as of end of Oct 2025, UOBAMV compiled

3. Valuation remains attractive compared to regional peers with positive corporate earnings growth outlook

Despite the market rally year-to-date, Vietnam's market valuation is still attractive with P/E lower than several other markets in Asia. It also traded below the 10-year average level.



Source: Bloomberg as of end of Oct 2025, UOBAMV compiled

4. Strong earnings growth outlook

Vietnam's listed companies continue demonstrating strong earnings momentum in Q3 2025, with EPS growth projected at 15%-20% per annum for 2025 - 2026, underpinned by resilient domestic demand, export recovery, and robust investment activities.

At these growth rates, the forward P/E for 2025 is estimated at around 14x, implying an even more attractive valuation relative to regional peers. The forward 2026 P/E is projected to compress further as earnings expected to expand, offering significant re-rating potential for the market. This positions Vietnam as a compelling blend of value and growth, supported by solid fundamentals and improved market accessibility post-FTSE market upgrade.

5. The country's paradigm shift in economic development direction creates strong tailwinds for the private sector

The Resolution 68-NQ/TW issued by Vietnam's Politburo in May 2025 outlined the country's long-term strategy in fostering the private sector growth and innovation as major growth drivers in coming decades, fundamentally paves the way for the private sector to strongly thrive.

The policy framework prioritises the state's investment and support in the following areas:

- **High-tech & Manufacturing:** Advanced manufacturing, supporting industries, and automation.
- **Digital Transformation:** AI, big data, fintech, blockchain, and e-commerce.
- **Logistics & Infrastructure:** Industrial parks, supply chain, and modern logistics networks.
- **Consumer & Retail:** Domestic brands, modern retail channels, and household consumption.
- **SMEs & Startups:** Innovation hubs, venture funds, and credit facilitation programs.

Since the release of the Resolution 68, encouraging signals have emerged across Vietnam's listed private-sector companies. Several leading corporates are already positioning themselves to capture long-term policy tailwinds, with noteworthy cases as follows:

- **Vingroup (VIC)** – As a leading private conglomerate, it is gaining the government's strong endorsement to participate in national-scaled infrastructure mega-projects, including the proposed Ho Chi Minh City - Can Gia metro/rail link (48.5 km) with estimated investment value of US\$ 3.3 billion. In addition to infrastructure, Vingroup continues to drive innovation in electric mobility, smart urban development, and green technology, aligning closely with Vietnam's modernisation agenda.
- **Hòa Phát Group (HPG)** – As the largest listed steelmaker, HPG is expanding its high-tech steel capacity to 15 Mt/year and deepening integration into industrial and export supply chains. The company stands to benefit from stronger infrastructure demand, especially from state mega-projects and policy-driven industrial upgrading.
- **Vietjet Air (VJC)** – As Vietnam's leading private carrier, it is well positioned to leverage the country's infrastructure expansion and tourism strong recovery. Continued fleet renewal and international route expansion support long-term growth and profitability.
- **Gelex Group (GEX)** – As a diversified player in power infrastructure, renewable energy, and industrial real estate, Gelex is emerging as a beneficiary of the government's push toward green transition and energy security under the Resolution 68.

- **Private Banks** (e.g., TCB, MBB, VPB, HDB, SHB) – Key private lenders are set to capture opportunities from policy-backed high credit growth, particularly in SME financing, digital banking, and green lending, reinforcing their leadership in Vietnam's evolving financial ecosystem.

Resolution 68 is a powerful catalyst for Vietnam's private sector thriving. Companies exposed to infrastructure development, manufacturing upgrade, green energy, financial digitalisation, and innovation are expected to lead a next leg of market performance.

6. Another wave of IPO coming into the market

Several major IPOs from leading private groups in key sectors such as Financial Services, Retail, Real Estate, and Agriculture are conducted, fuelling new growth phase for Vietnam's capital market. Below are noteworthy deals that will not only diversify market offerings but also create greater investment opportunities for foreign investors:

No	Company	Sector	Deal type	Expected timing	Estimated deal value (USD)	Estimated market cap (USD)
1	Petrovietnam BSR 	Refining/ Energy	Transfer listing	Jan 2025		USD 2.8 billion
2	Vinpearl 	Hospitality/ Resorts	Get listed	May-25	USD 750 million	USD 5 billion
3	Techcom Securities 	Securities brokerage	IPO	Sep 2025	USD 410 million	USD 4.1 billion
4	F88 	Consumer finance	IPO/ Upcom listed			USD 200 million
5	VPBank Securities 	Securities brokerage	IPO	Oct – Nov 2025	USD 481 million	USD 2.4 billion
6	VPS Securities 	Securities brokerage	IPO	Q4 2025 – Q1 2026	USD 460 million	USD 3.4 billion
7	Hoa Phat Agriculture 	Agriculture/ Feed	IPO	End 2025 (announced)	USD 15 million	USD 129.2 million
8	FPT Long Châu Pharmacy 	Pharmacy retail	IPO/ spin-off	2025–2027 (indicative)		USD 1.5 billion
9	The CrownX (Masan) 	FMCG & Retail	IPO/ spin-off	2026 (indicative)		USD 7 billion (2021)
10	Masan Consumer 	FMCG	Transfer listing (UPCoM->HOSE)	2026		USD 5.4 billion
11	Bách Hóa Xanh 	Retail (grocery)	IPO (spin-off)	2028		USD 1.7 billion
12	Gelex Infrastructure (subsidiary) 	Infrastructure	IPO	2025–2026	USD 127 million	USD 1.1 billion
13	Highlands Coffee 	F&B / Retail	IPO	2027-2028		USD 800 million
14	CP Vietnam 	Agri / Food	IPO	2026–2028		
15	Viettel IDC 	Data centers / IT services	IPO (candidate)	2026–2028		USD 1.2 billion

With the IPO pipeline from now through 2030 above, the market is expected to see a broader supply of quality assets and hence more choices for foreign investors. Together with anticipated return of foreign flows in 2026 triggered by FTSE's market reclassification announcement, the upcoming IPO deals should further attract foreign inflows into the Vietnamese market.

APPENDIX – Some stories on stock picks

1. Vingroup (VIC – VHM):

Is Vietnam's leading multi-sector conglomerate, operating across three core business pillars:

- Industry and Technology: Focused on electric vehicles (VinFast – NASDAQ: VFS), smart devices, renewable energy, and advanced technology R&D.
- Real Estate and Services: A market leader in residential development (Vinhomes – HOSE: VHM), commercial real estate (Vincom Retail – HOSE: VRE), hospitality and entertainment (Vinpearl – HOSE: VPL, VinWonders), as well as healthcare (Vinmec) and education (Vinschool).

Vingroup's diversified ecosystem enables it to capture growth opportunities across Vietnam's rapidly expanding economy, leveraging synergies among its subsidiaries to enhance long-term competitiveness and profitability.

Vinhomes (HOSE: VHM): Vingroup currently holds a 73.5% stake in VHM, which contributes the majority of the Group's revenue and net profit. As the key growth driver, Vinhomes has played a central role in Vingroup's strong performance in recent years. Other subsidiaries such as VRE and VPL also add value to the Group's earnings, together forming a fully integrated ecosystem.

VHM remains one of Vietnam's premier residential developers, with several large-scale projects strategically located near key infrastructure and urban hubs. The upcoming project launches outlined in the table below are expected to further support VHM and Vingroup's earnings growth in the near term.

No.	Project	Location	Area (ha)	Investor	VHM Interest	Progress
Launching in 2025						
1	Vinhomes Wonder City	Hanoi	134	VIC	100%	Expected to open for sale in Mar 2025. In 1H2025, over 1,300 units sold worth ~VND 35 trillion.
2	Vinhomes Green City	Tay Ninh	197.2	VHM*	67%	Expected to open for sale in Jun 2025. In Q2/2025, sold 790 units worth ~VND 4 trillion.
3	Vinhomes Golden City	Hai Phong	240.6	VHM	100%	Expected to open for sale in Jun 2025. In Q2/2025, sold 550 units worth ~VND 4 trillion.
4	Vinhomes Lang Van	Da Nang	512.2	VPL	100%	Investment policy and 1/500 planning approved.
5	Vinhomes Green Paradise	HCMC	2870	VHM*	100%	1/500 planning approved. Construction started in Apr 2025.

6	Vinhomes Apollo City	Quang Ninh	5540.3	VHM-VIC	70%	Investment policy approved, construction permit, and 1/500 planning for Ha Long sub-zone approved. Land clearance nearly completed.
Launching in 2026-2027						
7	Vinhomes Quang Hanh	Quang Ninh	167.1	VIC	99%	Investment policy approved. 1/500 planning approved.
8	Vinhomes My Lam	Tuyen Quang	455.4	VHM*	66%	Investment policy approved.
9	Bac Giang 70 ha	Bac Giang	66.1	VIC	99%	Investment policy approved.
10	HCMC Project	HCMC	200	VHM*	100%	Investment policy approved. 1/500 planning approved.
11	International University Urban Area	HCMC	863.6	VHM*	97%	Under site clearance. Investment policy approved.
12	Tan My	Tay Ninh	930.9	VHM*	76%	Under site clearance. Investment policy and permit approved.
13	Phuoc Vinh Tay	Tay Ninh	1089.6	VHM-VIG	100%	Investment policy and planning approved. Construction expected to start in Aug 2025.
14	Cam Ranh	Khanh Hoa	1301.8	VHM* -VinES	100%	1/500 planning approved. Investment policy approved.

2. Vinfast (NASDAQ – VFS):

Vinfast remains the primary concern regarding Vingroup's financial health and long-term sustainability due to its sizable accumulated losses. According to its Q2 2025 report, VinFast recorded a net loss of USD 812 million in 1H 2025, despite solid sales growth, particularly in electric vehicle (EV) volumes. A positive sign, however, lies in the gross margin improvement to -41.1% in Q2 2025, from -62.7% in Q2 2024, reflecting better operational efficiency supported by stronger revenue and cost optimization efforts.

Operationally, VinFast continues expanding across Southeast Asia and globally:

- In Vietnam, Vinfast has put into operation its factory in Ha Tinh, with an initial designed capacity of 200,000 vehicles/ year.
- In India, VinFast has inaugurated its first two showrooms in Surat and Chennai, as well as a 160-hectare manufacturing plant in Thoothukudi, Tamil Nadu, with an initial designed capacity of 50,000 vehicles per year. The company also began accepting pre-orders for its VF 6 and VF 7 models in India in mid-July.
- Indonesia accounted for around 5% of VinFast's total global vehicle deliveries in the second quarter of 2025. VinFast stated that it will continue to work on expanding its dealership and service network in this market. The assembly plant project in Subang remains on schedule to begin its Start of Production (SOP) by the end of this year.
- In the Philippine market, the company's electric vehicles accounted for 25% of market share in the first half of this year.
- In the U.S., VinFast signed a partnership with Sunroad Automotive Group in San Diego - its first authorised dealership in California - which officially opened on August 19th.

As of the end of June 2025, VinFast had 394 stores across global markets. The company's management stated that VinFast's goal for 2025 is to at least double its global vehicle deliveries, while continuing to focus on key markets including Vietnam, Indonesia, the Philippines, India, North America, Europe, and the Middle East.

Other big projects with Vingroup's participation:

No.	Project	Type	Location	Scale / Area	Investment / Value	Timeline / Status
1	Nam Do Son Port & Logistics Center	Port + logistics hub	Hai Phong (the North)	Approx. 4,300–4,400 ha; ~21 berths (reported in planning descriptions)	VND 373.8 trillion (US\$14.2–14.3 billion)	Project approved/investment plan announced 2025; multi-phase development 2026–2040 (phased operation from ~2030)
2	Gia Nghĩa – Chon Thanh Expressway	Highway / expressway (PPP/BOT)	Dak Nong – Binh Phuoc - the South	~124 km (phase 1); initially 4 lanes, full design 6 lanes	Approx. VND 26 trillion (US\$1.0 billion)	Consortium won bid mid-2025; implementation period 2025–2027; PPP/BOT contract signed June 2025
3	Vung Ang/ Vung An EV parts & supporting industrial hub	Industrial Park / EV parts rental factories	Vung An Economic Zone (The central)	Approx. 132 ha (industrial land for EV support factories)	Approx. VND 21.4 trillion (US\$811 million)	Planning/approval in 2025; expected construction and phased completion toward mid-2027
4	Hoàng Gia (May Chai) Bridge, Hai Phong	Bridge / road	Hai Phong (the North)	Approx. 2.2 km long, 21 m wide, 4 lanes; total investment ~VND 2.3 trillion	VND 2.3 trillion (US\$89–90 million)	Bridge closer March 2025; opened / put into operation July–Aug 2025
5	Haiphong LNG Power Plant (VinEnergio / Vingroup)	LNG-fired power plant	Hai Phong (the North)	Capacity ~5,000 MW; area ~98.5 ha in Tan Trieu, Kien Thuy, Haiphong;	VND 178 trillion (US\$ 6.7 billion)	Start work in Sep 2025.

Furthermore, Vingroup is actively seeking approval to participate in several large-scale national infrastructure projects, including the HCMC - Can Gio metro line, and the Can Gio - Ba Ria Vung Tau Sea bridge, with total proposed investment amounting to several billion USD.

The recently issued Resolution No. 68 reinforces the government's commitment to empower the private sector as a key driver of Vietnam's long-term development. As one of the country's largest and most capable private conglomerates, Vingroup is well-positioned to benefit from this supportive policy framework, increasing its likelihood of being approved to develop or co-invest in strategic projects, particularly in infrastructure and energy.

While VinFast remains a concern due to its ongoing losses, encouraging signs have emerged from rising sales volumes and its expanding regional presence. Meanwhile, Vingroup's other business segments continue to perform well, helping sustain the Group's financial resilience during VinFast's investment phase. Overall, government supports and improving business fundamentals position Vingroup at a pivotal point - balancing short-term challenges with substantial long-term growth opportunities.

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