

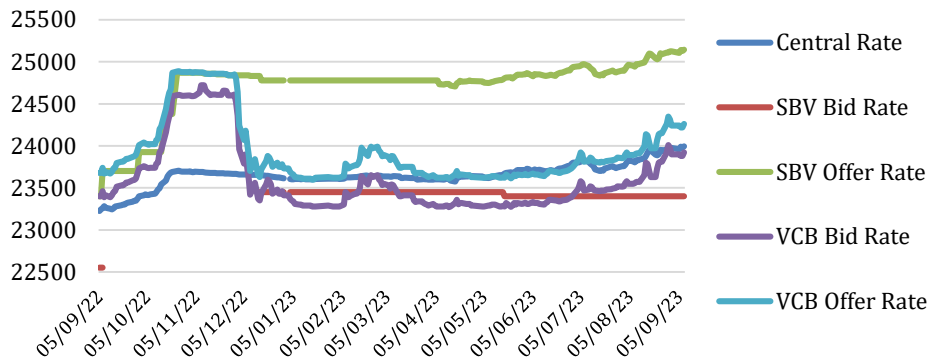
FINANCIAL, MONEY & FOREIGN EXCHANGE MARKET NEWS

Week from 04/09 – 08/09

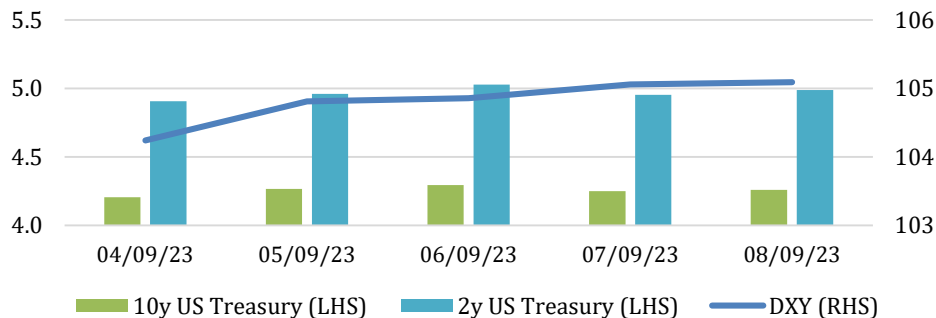
TREASURY TRADING DEPARTMENT

1 | FOREIGN EXCHANGE MARKET

USD/VND EXCHANGE RATE



DXY & US GOVERNMENT BOND



1, DOMESTIC

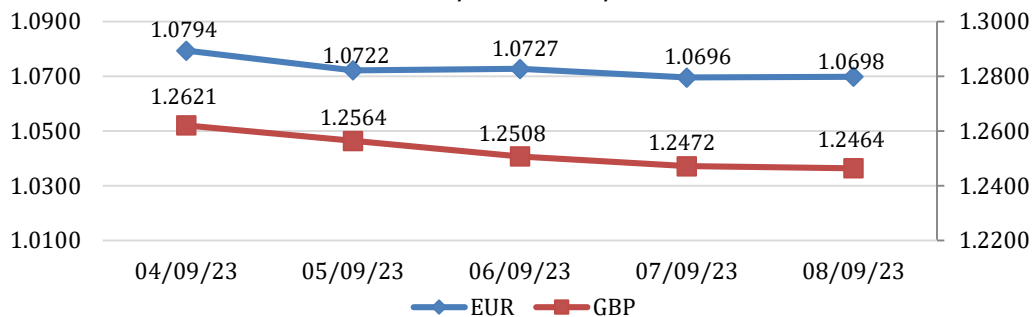
- The central exchange rate (USD/VND) closed on Friday at 23,993, up 34 VND compared to the first session of the week (Sep 5) and up 16 VND from the last session before the National Holiday (August 31). The spot selling rate (USD/VND) of the State Bank of Vietnam (SBV) on Friday was listed at 25,142, up 17 VND from the August 31 session.
- The buying and selling exchange rates at Vietcombank (USD/VND) on Friday were at 23,920 – 24,260, increased by 20 VND in both buying and selling sides compared to the August 31 session.
- Forecast: Next week, the listed exchange rates of VCB (USD/VND) are likely to decrease slightly when USD supply is expected to be relatively abundant.
- Economic news: For the first 8 months of 2023, the trade balance of goods is estimated at a surplus of 20.19 billion USD, of which in August the estimate is 3.82 billion USD surplus.

2, INTERNATIONAL

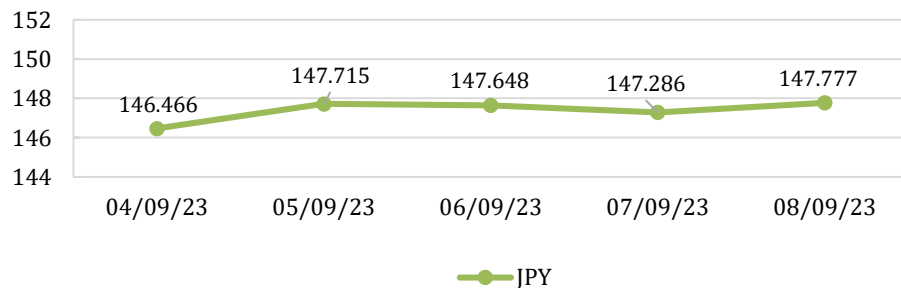
a) US

- Ending the session on Friday, the DXY index increased by 0.82% compared to last Friday session (from 104.24 to 105.09), reaching the highest level in 6 months when the US economy showed positive signs: Non-manufacturing PMI reached 54.5 in August - the highest level since February 2023, higher than expectations and July's figure of 52.7.
- Economic news: The initial jobless claims reached 216,000 applications this week, lower than forecast and the previous week's level of 229,000 applications.

EUR/USD & GBP/USD



USD/JPY



b) Euro

- EUR/USD declined by 0.70% compared to the previous Friday session, dropping from 1.0774 to 1.0698. This decline coincided with CPI remaining at 6.1%, and the Eurozone GDP growth in the second quarter only reaching 0.1% (QoQ), lower than the previous quarter's reading of 0.3%.

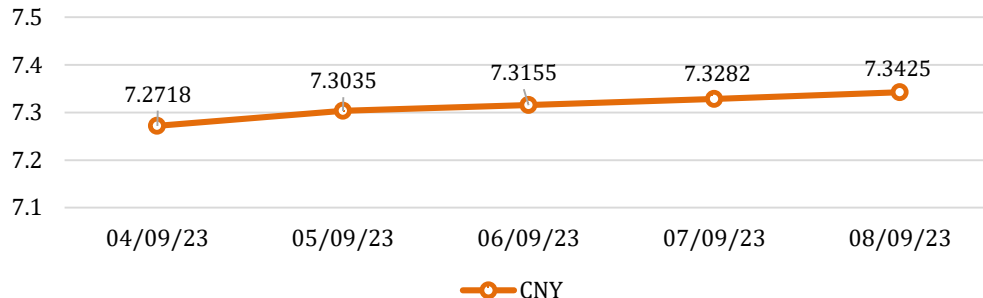
c) UK

- GBP/USD decreased by 0.97% compared to the end of the previous week, declining from 1.2587 to 1.2465. This decrease occurred despite the August PMI in the UK being adjusted upwards compared to the preliminary estimate. The primary reason for this decline was the strengthening of the USD against many other major currencies.

d) Japan

- USD/JPY increased by 1.04% compared to the previous Friday's session, rising from 146.25 to 147.76. This increase occurred as Japan's updated GDP growth in Q2/2023 was 1.2% (QoQ), lower than the preliminary estimate of 1.5%, indicating that the monetary easing policy provides little support for the Japanese economy.

USD/CNY



e) China

- USD/CNY increased by 1.13% compared to the end of the previous Friday's session, rising from 7.2600 to 7.3422, hitting the lowest level since February 2008. This resulted from China's trade balance for August falling more than expected.

Some notable events happening in the upcoming week (September 11, 2023 – September 15, 2023): Important economic data releases, ECB meeting and US' August CPI eyed:

- September 13th, 2023:
 - UK's July GDP.
 - U.S' August CPI.
- September 14th, 2023:
 - ECB's September monetary policy meeting.
 - U.S' August PPI and Retail Sales.
 - China's August Industrial Production and Unemployment Rate.

2| DOMESTIC MONEY MARKET

Type	Tenor (days)	Amount (billion VND)		Net
		04/09 – 08/09/2023	28/08 – 31/08/2023	
OMO reverse repo (1)	7	0	0	0
	28	0	0	0
Bills(2)	7	0	0	0
	91	0	0	0
Matured bills(3)		0	0	0
Matured OMO (4)		0	0	0
Difference (5) = (1)-(2)+(3)-(4)		0	0	

Market movements:

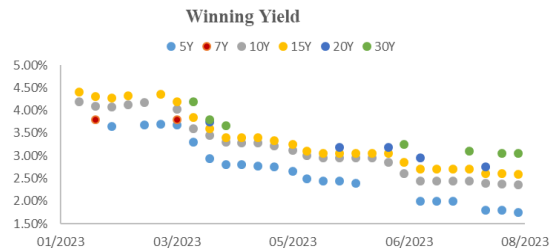
- During the week, interbank money market rates remained low as VND liquidity remained abundant. Most deals were traded at tenors shorter than 1M. ON-1W rates were traded around 0.2 – 0.4% per annum. Rates for 1-3M tenors were traded from 1.1 to 3.1% per annum.
- In open market, the State Bank continued to offer 7-D reverse repo at 4% per annum but receiving no bids.

Forecast:

- Next week, it is likely that short-term interest rates will stay low due to ample liquidity.

3 | BOND MARKET

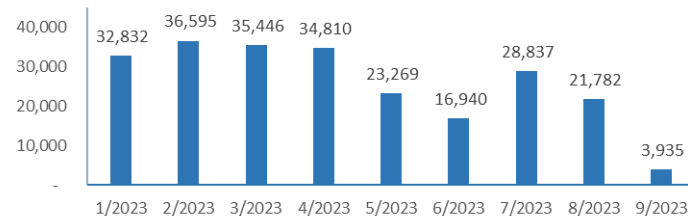
Primary market



During the week, the State Treasury issued successfully a total of 3.935/ 4.000 billion Government bond called for bid including tenors of 5-10-15-30 year with winning yields of 10y, 15y and 30y unchanged, 5y falling by 1 bp.

Billion VND

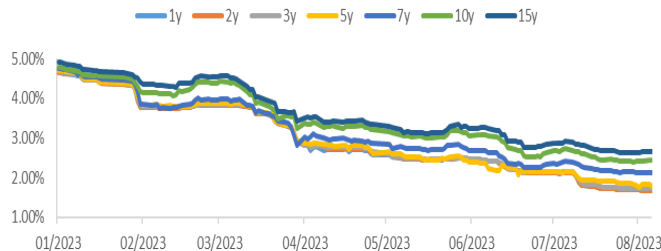
Winning Value



Secondary market

The secondary market saw a relatively quiet trading week due to lack of supporting news. Yields remained unchanged across all tenors.

G-Bond Yield in secondary market



Forecast:

Next week – from 11/09/2023, it is expected that G-bond yields will move in the range of 1-8bps.
 1 and 3-year: 1.30 – 1.65%/year;
 5-year: 1.65 – 1.75%/year;
 7-year: 2.25 – 2.35%/year;
 10-year: 2.52 – 2.62%/year;
 15-year: 2.73 – 2.83%/year.

4 | COMMODITY MARKET

- Coffee:

+ Both Arabica and Robusta coffee prices recorded a weekly decrease of 2.14% and 3.02%, respectively. Coffee inventories on the ICE Department, though still being low, started to show positive signs, combined with the promotion of coffee exports in Brazil, causing prices to be weakened this week.

+ Although, there were 17,560 60kg bags from Brazil awaiting for classification into ICE-US standard Arabica inventory, the total amount of coffee in storage still decreased by 33,230 bags last week. Additional goods from Brazil led to expectations that it could temporarily interrupt the decline in inventory data, which hit a 10-month low, while could also create confidence in ensuring enough supply in the market.

+ For the whole week, Robusta inventory on the ICE-EU Department increased from 33,630 tons to 35,280 tons that had an impact on inventory data.

Agriculture	Code	01/09/2023	08/09/2023	% change
Robusta Coffee	LRCX23	2482	2407	-3,02%
Arabica Coffee	KCEZ23	151,90	148,65	-2,14%
Corn	ZCEZ23	481,50	483,75	+0,47%
Soybean	ZSEX23	1369,25	1363,00	-0,46%
Wheat	ZWAZ23	595,50	595,75	+0,04%
Cotton	CTEZ23	89,95	85,91	-4,49%
Sugar	SBEV23	25,81	26,31	+1,94%

- Grains:

+ Corn prices recorded a slight increase, ending a 2 consecutive weeks of weakness. Over the past week, prices were relatively volatile and generally moved sideways in the range of 477 - 499. In addition to the cautious mentality ahead of the September World Agricultural Supply and Demand (WASDE) report, the mixed information in the week was the reason for price movements.

+ Soybean prices weakened with a slight decrease of 0.46%. Like corn prices, cautious sentiment ahead of the World Agricultural Product Supply and Demand (WASDE) report for September caused soybean prices to fluctuate in a small range during the week.

+ Wheat prices ended a series of 5 consecutive weeks of weakness with a slight increase. Prices in general had a relative fluctuation in the week.

- Other Agricultures:

+ Dollar Index is the important factor that pulled Cotton (No.2) prices down 4.49% last week. A high Dollar Index means the USD becomes stronger and the price of US cotton becomes more expensive for customers holding other currencies while the US is the largest cotton supply market in the world. Increasing holding cost is expected to reduce US cotton demand and weaker purchasing power in the market.

+ Sugar (No.11) prices continued to improve with an increase of nearly 3%. This is also the 3rd consecutive week of increase for this commodity. The El Nino weather phenomenon caused rainfall to be lower than normal in main sugar producing areas of India and Thailand, the world's two leading sugar exporting countries, causing an expected sharp decline in output, compared to the previous crop year. Low output could be a signal for India to ban sugar export from October to ensure domestic demand.

Metals and Energy	Code	01/09/2023	08/09/2023	% change
Copper (COMEX)	CPEV23	3,8520	3,7165	-3,52%
Copper (LME)	CAD	8500,5	8242,5	-3,04%
Aluminum (LME)	AHD	2237,0	2183,5	-2,39%
Iron Ore (SGX)	FEFV23	113,99	113,33	-0,58%
Crude Oil WTI	CLEV23	85,55	87,51	+2,29%
Brent Crude Oil	QOX23	88,55	90,65	+2,37%

- Metals:

+ Prices of basic metal products simultaneously decreased due to double pressure from macro factors and less optimistic consumption signals. Prices of two key commodities, COMEX copper and iron ore, recorded a decrease of 3.52% and 0.58%, respectively and closed the week at 3.7165 USD/pound and 113.33 USD/ton respectively.

+ Regarding macro factors, the strong DXY reduced the attractiveness of goods. For consumption, in the context of slow growth in the world's major economies, the outlook for global base metal consumption became less bright. In particular, demand is still weak in China, the world's largest metal consumer, as shown by import data that kept achieving negative growth in August. Also, in the context of weak consumption, Copper supply remained stable, causing Copper purchasing power to gradually decline. According to the latest published data, copper output in July of Chile and Peru, the two largest copper mining countries in the world, increased by 1.7% and 17.7%, respectively over the same period last year.

- Energy:

+ Crude oil prices continued to increase amid limited supply from leading exporting countries. In the last 11 trading weeks, Oil prices have recorded 9 weeks of increase.

+ Saudi Arabia's announcement of an extension of a voluntary supply cut of 1 million barrels of oil per day and an export reduction of 300,000 barrels per day until the end of the year raised concerns about a potential demand shortage. This is the main reason for price increase last week.

+ In addition to support from supply factors, that the economic situation is more positive than expected in the US, the world's largest oil consumer, also contributed to boosting purchasing power. Goldman Sachs showed that the likelihood of a recession in the US starting in the next 12 months is 15%, down from the previous forecast of 20%.

+ The decrease in US Crude Oil inventories showed good consumption capacity while supply is limited. The weekly report of the US Energy Information Administration (EIA) showed that commercial crude oil inventories had decreased by 6.3 million barrels in the week ending September 1, falling for the fourth consecutive week and down more than 6% in August. Gasoline inventories also dropped sharply by more than 2 million barrels.

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