

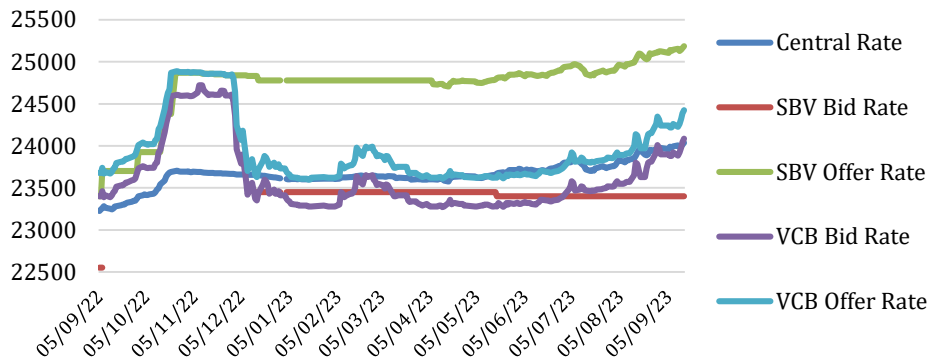
FINANCIAL, MONEY & FOREIGN EXCHANGE MARKET NEWS

Week from 11/09 – 15/09

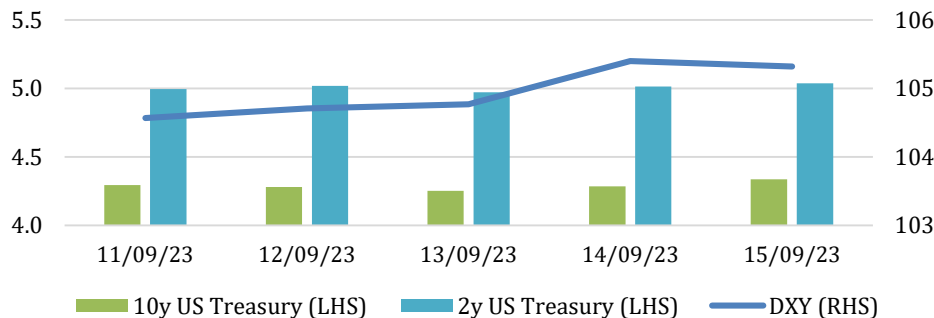
TREASURY TRADING DEPARTMENT

1 | FOREIGN EXCHANGE MARKET

USD/VND EXCHANGE RATE



DXY & US GOVERNMENT BOND



1, DOMESTIC

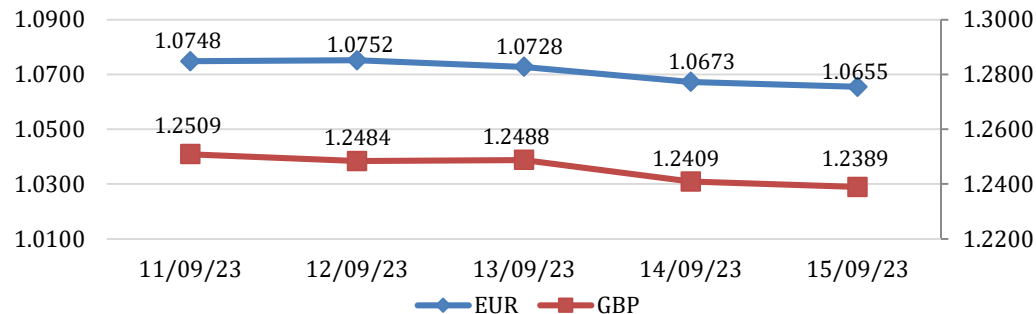
- The central exchange rate (USD/VND) closed on Friday at 24,036, up 31 VND compared to the first session of the week and up 43 VND from last Friday session. The spot selling rate (USD/VND) of the State Bank of Vietnam (SBV) on Friday was listed at 25,187, up 45 VND from the previous Friday session.
- The buying and selling exchange rates at Vietcombank (USD/VND) on Friday were at 24,085 – 24,425, increased by 165 VND in both buying and selling sides compared to last week session.
- Forecast: Next week, the listed exchange rates of VCB (USD/VND) are likely to increase when the USD demand is predicted to be relatively high, and the market is waiting for the FED's upcoming interest rate decision.

2, INTERNATIONAL

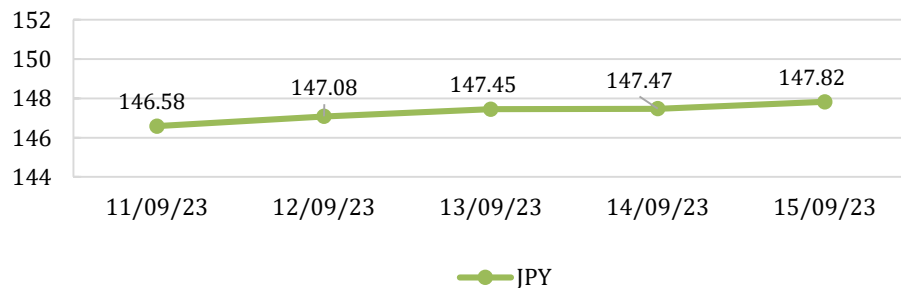
a) US

- Ending the session on Friday, the DXY index increased by 0.22% compared to last Friday session (from 105.09 to 105.32), remained at a 6-month high as FED is expected to increase interest rates in the upcoming policy meeting, after the US announced inflation data:
 - CPI in August increased by 0.6% over the previous month and 3.7% over the same period last year, higher than the increase of 0.2% (MoM) and 3.2% (YoY) in July.
 - August PPI increased by 0.7% (MoM) and 1.6% (YoY), higher than expectation and nearly doubled July's figure.
- Economic news: US' Retail sales in August increased 0.6% over the previous month, better than the forecast of 0.2%.

EUR/USD & GBP/USD



USD/JPY



b) European

- EUR/USD fell 0.40% from last Friday session (from 1.0698 to 1.0655), hitting its lowest level in five months, despite the ECB's decision to raise interest rate (including the rate on the main refinancing operations, the rate on the deposit facility and on the marginal lending facility) by 25 bps, as inflation remained at high level and the European economy still showed signs of weakness.

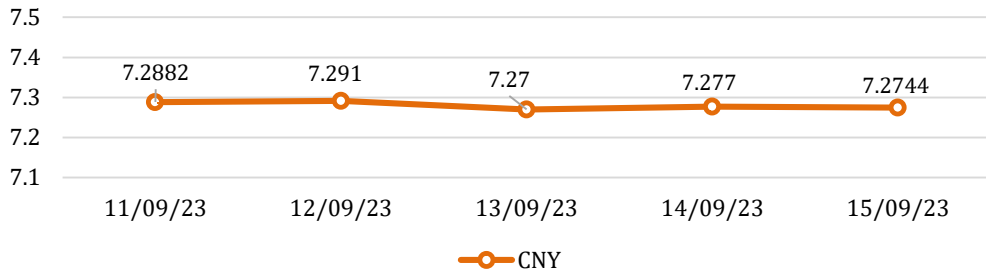
c) UK

- GBP/USD fell 0.77% from the last week session (from 1.2465 to 1.2389), with UK's July GDP and Industrial production data were both lower than expected.

d) Japan

- USD/JPY increased by 0.04% compared to the previous Friday session (from 146.76 to 147.82), fluctuated around 147 during the week as the market was waiting for the BOJ's next move at the upcoming monetary policy meeting.

USD/CNY



e) China

- The USD/CNY exchange rate decreased by 0.93% compared to the end of last Friday session (from 7.3422 to 7.2744), when China's Industrial production and Unemployment rate in August were both better than expected.

Top things to watch next week (September 18, 2023 - September 22, 2023): Monetary policy meetings of central banks eyed

- 19/09/2023:
 - ECB's August CPI.
 - PBOC's Interest rate decision.
- 20/09/2023:
 - UK's August CPI.
 - FED's monetary policy meeting.
- 21/09:
 - BOE's monetary policy meeting.
 - BOJ's September monetary policy meeting.
- 22/09: EU and UK's Preliminary September PMI.

2| DOMESTIC MONEY MARKET

Type	Tenor (days)	Amount (billion VND)		Net
		11/09 – 15/09/2023	04/09 – 08/09/2023	
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:

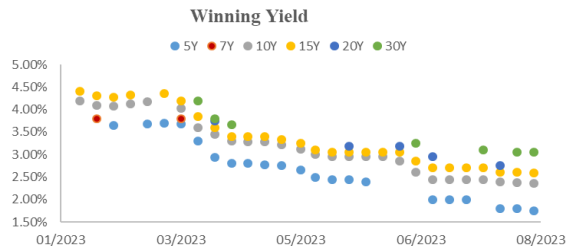
- During the week, interbank money market rates remained low as VND liquidity remained abundant. Most deals were traded at tenors shorter than 1M. ON-1W rates remained unchanged around 0.2 – 0.4% per annum. Rates for 1-3M tenor were traded from 1.0% to 3.0% per annum.
- In open market, the State Bank 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 remain low due to ample liquidity.

3 | BOND MARKET

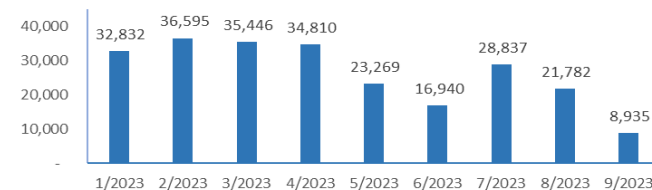
Primary market



During the week, the State Treasury issued successfully a total of 5.000/ 5.500 billion Government bond called for bid including tenors of 5-10-15-30 year with winning yields of 10y and 15y unchanged, 5y falling by 2 bps. No winning bids for 30y tenor.

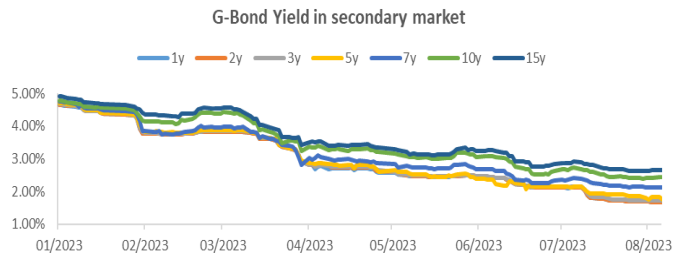
Billion VND

Winning Value



Secondary market

The secondary market saw a relatively quiet trading week due to lack of supporting news. Trading yields moved range-bound, 5y yield slightly decreased.



Forecast:

Next week – from 18/09/2023, it is expected that G-bond yields will move in the range of 1-8bps.
 1 and 3-year: 1.30 – 1.60%/year;
 5-year: 1.60 – 1.70%/year;
 7-year: 2.25 – 2.35%/year;
 10-year: 2.50 – 2.60%/year;
 15-year: 2.72 – 2.80%/year.

4 | COMMODITY MARKET

- Coffee:

+ Arabica coffee price increased by 7,06% and Robusta coffee price increased by 6,19% . Trading volume was quite above average.

+ The report of US economic growth indicators has not met expectations, revealing the possibility for the market to speculate that the US Federal Reserve has a reason to raise interest rates at the upcoming meeting. The ICE inventory report on the two exchanges was at a very low level, combined with the slight decrease in the DXY index, which has prompted funds and speculation to return to the markets and boost buying force.

+ For the whole week, Robusta inventory on the ICE-EU improved by increasing 9.78% to 645,500 bags compared to the previous week, mainly coming from the new Brazilian crop of Robusta coffee brought in the warehouse.

Agriculture	Code	08/09/2023	15/09/2023	% change
Robusta Coffee	LRCX23	2407	2556	+6,19%
Arabica Coffee	KCEZ23	148,65	159,15	+7,06%
Corn	ZCEZ23	483,75	476,00	-1,60%
Soybean	ZSEX23	1363,00	1340,00	-1,68%
Wheat	ZWAZ23	595,75	604,00	+1,40%
Cotton	CTEZ23	85,91	86,44	+0,62%
Sugar	SBEV23	26,31	26,91	+2,28%

- Grains:

+ Corn price recorded a slight decrease, continuing to fluctuate in a narrow range. The September supply and demand report with data beyond market expectations boosted selling pressure back and caused prices to close with a decrease of 1.6%. However, concerns about the US crop was the reason that restrained the decline in price.

+ Soybean price weakened with a slight decrease of 1.68% - the 3rd consecutive weekly decrease. Seasonal harvest has put pressure on soybean price.

+ Wheat price recovered and closed up 1.4%. This is also the strongest week of increase for this commodity in the past month. Global inventories for the 23/24 crop year are forecast to reach the lowest level since the 2015/16 crop year, causing wheat price to rebound.

- Agricultural products :

+ Cotton price recorded an increase of 0.62% last week. High oil prices have pushed transportation costs, leading to an increase in cotton prices, even though US' Cotton sales in the week ending September 7 were 21% lower than the previous week and 27% lower than the 4-week average.

+ Sugar price (No.11) continued to improve with an increase of 2.28%, bringing the price to the highest level in 12 years. This is the 4th consecutive week of increase in raw sugar prices. Concerns that output will decline sharply in Asian countries due to below-average rainfall, especially in India, may cause this country to ban exports in the 2023/2024 crop year.

Metals and Energy	Code	08/09/2023	15/09/2023	% change
Copper COMEX	CPEV23	3,7165	3,8000	+2,27%
Copper LME	CAD	8242,5	8405.5	+1,98%
Aluminum LME	AHD	2183,5	2190	+0,30%
Iron Ore SGX	FEFV23	113,33	122,95	+8,49%
Crude Oil WTI	CLEV23	87,51	91,20	+4,22%
Brent Crude Oil	QOX23	90,65	94,27	+4,00%

- Metals:

+ For the basic metals group, most commodities increased in price when macroeconomic pressures eased and consumption signals became more positive. Prices of two commodities, COMEX Copper and Iron Ore, recorded increases of 2.27% and 8.49%, respectively, closing the week at 3.80 USD/pound and 122.95 USD/ton.

+ The US released inflation data last week: the core Producer Price Index (PPI) in August increased by 2.2% over the same period last year, in line with forecast and decreased by 0.2% compared to July. Besides, China - the leading metal consuming country, continued to announce positive economic data last week, reinforcing expectations that the Chinese economy was gradually recovering after a bad recession.

- Energy:

+ Crude oil prices continue to increase when supply is limited from the world's leading exporting countries. Thus, in the last 11 trading weeks, Oil prices have recorded 9 weeks of price increases. Meanwhile, consumption in China was positive and the US economy continues to show signs of improvement, contributing to boosting purchasing power.

+ Three major energy organizations, OPEC, EIA and IEA, in their September report all forecast supply shortages in the remainder of 2023.

+ China's oil refining throughput rose to a record in August as refineries maintained high operating capacity to meet summer travel demand and boost export margins. The upward trend in oil prices has also prompted some activities to expand oil rigs in the US. According to data from Oil and Gas services firm Baker Hughes, the number of oil and gas rigs in the US increased sharply by 9 to 641 rigs in operation in the week. This is the 2nd consecutive week that US energy companies increased the number of oil and natural gas rigs since the end of June 2023.

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TREASURY TRADING DEPARTMENT - VIETCOMBANK

6TH Floor, Vietcombank Tower, 198 Tran Quang Khai Str., Hoan Kiem Dist., Ha Noi, Vietnam

Tel: 84 - 4 - 3934 3137 (0348, 0306)

Reuters code: VCBH

Email: kdv@vietcombank.com.vn