

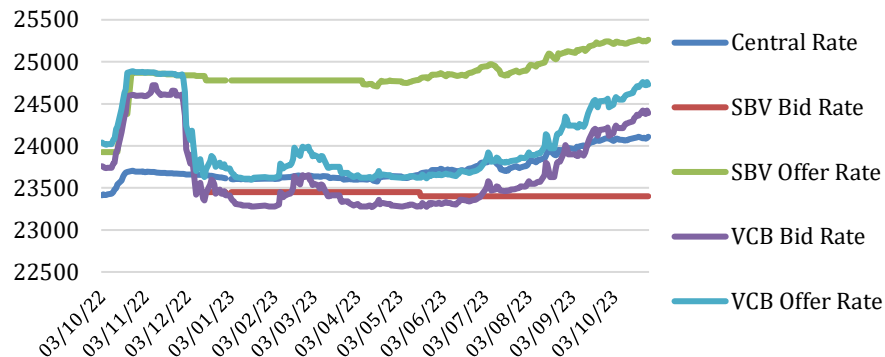
FINANCIAL, MONEY & FOREIGN EXCHANGE MARKET NEWS

Week from 23/10 – 27/10

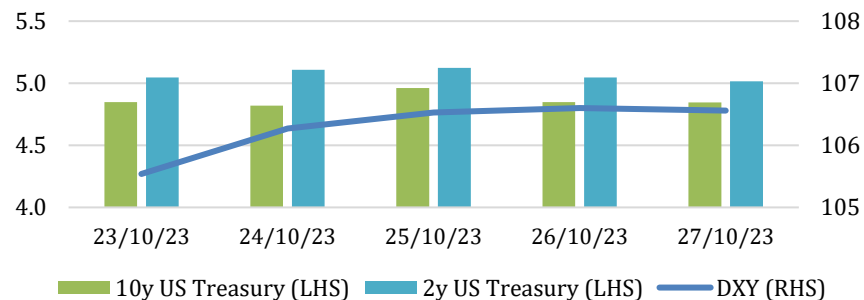
TREASURY TRADING DEPARTMENT

1 | FOREIGN EXCHANGE MARKET

USD/VND EXCHANGE RATE



DXY & US GOVERNMENT BOND



1, DOMESTIC

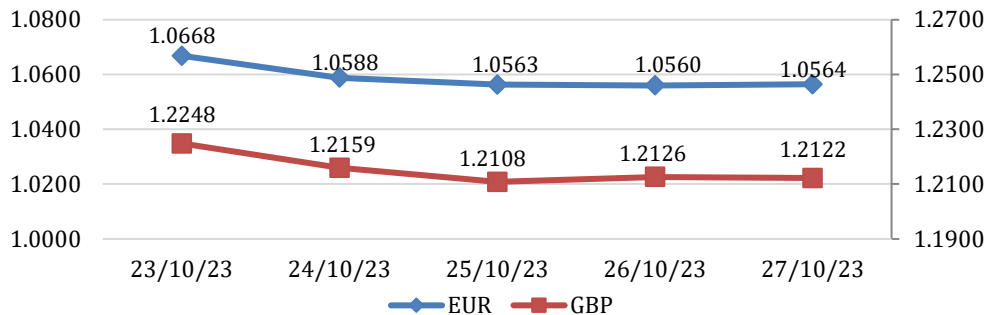
- The central exchange rate (USD/VND) closed on Friday at 24,107, up 17 VND compared to the first session of the week but down 3 VND from last Friday session. The spot selling rate (USD/VND) of the State Bank of Vietnam (SBV) on Friday was listed at 25,262, down 3 VND from the previous Friday session.
- The buying and selling exchange rates at Vietcombank (USD/VND) on Friday were at 24,390 – 24,730, increased by 30 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 decrease when the USD supply is expected to be relatively abundant, at the same time the market is waiting for the FED's November interest rate decision.

2, INTERNATIONAL

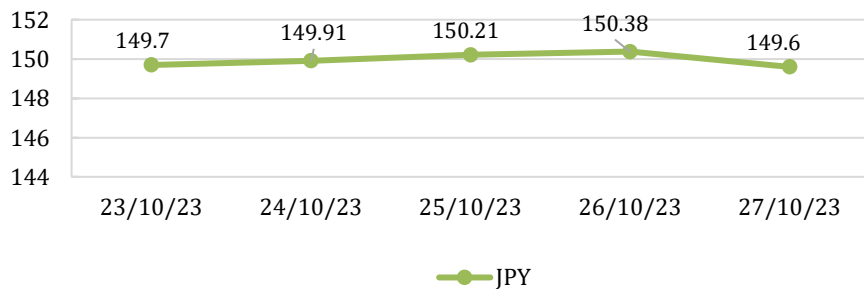
a) US

- Ending the session on Friday, the DXY index up 0.38% compared to last Friday session (from 106.16 to 106.56) due to US' positive economic data and high inflation, as Core PCE in September increased by 0.3% over the previous month as expected.
- Economic news:
 - US' Preliminary GDP in Quarter III increased by 4.9% over the previous quarter, better than expectation and the 2.1% increase in the second quarter.
 - In October, US' Preliminary composite PMI, manufacturing and services PMI reached 51; 50 and 50.9 respectively, higher than September figures and all reaching the average level of 50.

EUR/USD & GBP/USD



USD/JPY



b) Europe

- EUR/USD was down 0.27% compared to last week session (from 1.0593 to 1.0564), when EU's October Preliminary PMI continued to stand below 50 threshold and lower than expected, together with ECB decision to keep interest rate unchanged in the latest monetary meeting.

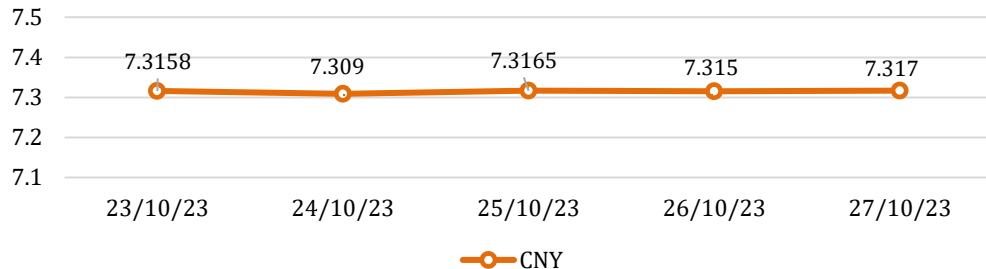
c) UK

- GBP/USD decreased by 0.31% compared to last Friday session (from 1.2160 to 1.2122), when UK's Preliminary PMI in October disappointed and remained under 50 threshold.

d) Japan

- USD/JPY was down 0.16% compared to the previous Friday session (from 149.84 to 149.60), continue to hover around 150, with Japan's September CPI being higher than expectation.

USD/CNY



e) China

- USD/CNY rose by 0.02% compared to the last week session (from 7.3155 to 7.3170), near 16-year low, when Chinese government announced its plan for massive bond issuance of 1 trillion CNY (~136 billion USD) despite doubts over China's economic recovery.

Top things to watch in market (30/10/2023 – 03/10/2023): Important economic data releases; FED, BOJ and BOE's meeting headlines:

- 30/10/2023:
 - BOJ's interest rate decision.
 - Germany's Preliminary Quarter III/2023 GDP and October CPI.
 - China's October Preliminary PMI.
- 31/10/2023: EU's Preliminary Quarter III/2023 GDP and October CPI.
- 01/11/2023
 - US and UK's October Revised Manufacturing PMI.
 - FED's interest rate decision.
- 02/11/2023: BOE's interest rate decision.
- 03/11/2023: US' October Revised Non - Manufacturing PMI, Composite PMI and Non-farm Payroll.

2| DOMESTIC MONEY MARKET

Type	Tenor (days)	Amount (billion VND)		Net
		23/10 – 27/10/2023	16/10 – 20/10/2023	
OMO reverse repo (1)	7	0	0	0
	28	0	0	0
Bills(2)	7	0	0	0
	28	25.550	55.900	-30.350
Matured bills(3)		73.800	20.000	53.800
Matured OMO (4)		0	0	0
Difference (5) = (1)-(2)+(3)-(4)		48.250	-35.900	

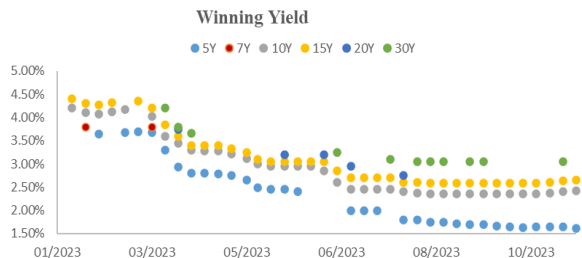
Market movements:

- During the week 23 – 27/10/2023, interbank money market rates witnessed an upward trend on the first three days then slightly fell on Thursday and Friday due to a large amount of matured bills. Average ON-1W rates were around 2.15 – 2.35% per annum. Rates for 1-3M tenor were traded from 2.8% to 3.5% per annum.
- In open market, the SBV withdrew about VND 25.550 billion via bills with tenor of 28 days, interest rates from 1.45% to 1.5% per annum. The total T-bill outstanding on October 27th was VND 193.350 billion. SBV continued to offer 7-D reverse repo at 4% per annum but receiving no bids.

Forecast:

- Next week, interbank interest rates are expected to increase since many banks tend to receive VND to maintain reserve ratios during early days of the month.

3 | BOND MARKET

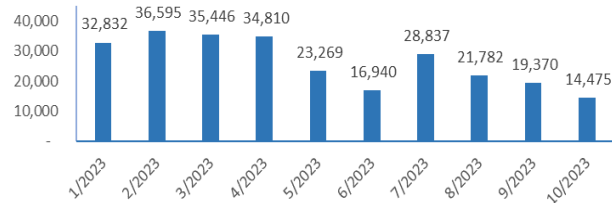


During the week, the State Treasury issued successfully a total of VND 5.450/ 6.500 billion Government bond called for bid including tenors of 5-10-15 year with winning yields of 5y decreasing by 3bps, while 10y and 15y increasing by 2 bps.

Primary market

Billion VND

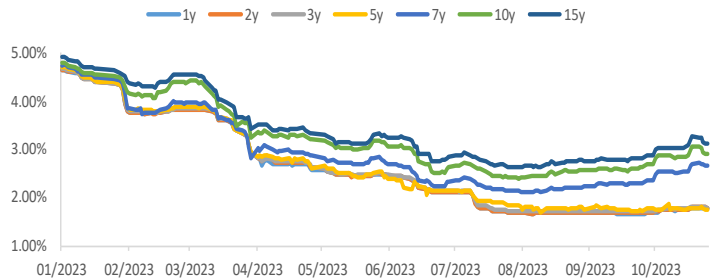
Winning Value



Secondary market

The secondary market continued to trade quietly. 10-15y bond yields slightly decreased while rates of the remaining tenors moved range-bound.

G-Bond Yield in secondary market



Forecast:

Next week – from 30/10/2023, it is expected that G-bond yields will move in the range of 1-10bps.
 1 and 3-year: 1.60 – 1.80%/year;
 5-year: 1.70 – 1.80%/year;
 7-year: 2.55 – 2.75%/year;
 10-year: 2.80 – 3.92%/year;
 15-year: 3.05 – 3.15%/year.

4 | COMMODITY MARKET

- Coffee:

+ Coffee prices fell on Friday as NY Arabica coffee hit a 1-week low and gave up some of the mid-October gains. Coffee prices were supported by low inventories, as ICE-monitored Arabica and Robusta coffee stocks were near 1-year and record lows, respectively. However, coffee prices were pressured by better weather in Brazil, the top producer of Arabica coffee, where rains boosted soil moisture and flowering. Robusta coffee was also supported by lower exports and harvest in Vietnam, the largest producer of Robusta beans.

+ Global coffee exports and supplies are down, as ICO reported a -5.7% y/y drop in exports from Oct-2022 to Jul-2023 and a -7.3 millions bag deficit in 2022/23. Colombia and Brazil, the top Arabica producers, saw lower exports in July and September, respectively. On the other hand, Honduras and Brazil increased their Robusta exports. El Nino may bring adverse weather to coffee regions in Brazil, India, and Vietnam, however, USDA FAS still expects higher world coffee production in 2023/24, led by Brazil, but lower ending stocks.

Agriculture	Code	20/10/2023	27/10/2023	% change
Robusta Coffee	LRCX23	2577	2553	-0,93%
Arabica Coffee	KCEZ23	165,65	160,95	-2,84%
Corn	ZCEZ23	505,20	480,75	-4,84%
Soybean	ZSEX23	1302,20	1297,25	-0,38%
Wheat	ZWAZ23	584,20	575,5	-1,49%
Cotton	CTEZ23	82,44	84,38	2,35%
Sugar	SBEH24	26,85	27,34	1,82%

- Grains:

+ Most of the key agricultural areas of Argentina received more than 30 mm of average rainfall in the beginning of last week. The continuous rain, improved soil moisture helped farmers speed up planting new corn crops. In addition, about 15% of Argentina's corn area was rated good/excellent in the week ending October 27, up from 6% a week earlier. The favorable crop outlook in Argentina put great pressure on corn prices.

+ Meanwhile, wheat prices fluctuated quite a lot last week. However, sellers still had an advantage and caused wheat prices to close the week with a drop of nearly 2%.

+ Similar to corn, the favorable crop outlook in Argentina had a strong impact on wheat prices. On the contrary, some concerns about supply from Ukraine partly narrowed the decline of wheat prices last week. The market heard rumors that Kyiv's grain export corridor had temporarily stopped operating due to unfavorable weather, as well as threats from Russian fighter jets.

- Other Agricultures:

+ The International Sugar Organization (ISO) and Alvean, the world's largest sugar trader, both forecast a global sugar deficit in 2023/24 due to lower production and higher consumption. Brazil, the world's largest sugar producer, reported higher sugar output in October, but its sugarcane crop was damaged by frost earlier this year. India, the world's second-largest sugar producer, is considering banning sugar exports in 2023/24 as its sugar crop was reduced by poor monsoon rain. India's sugar reserves are enough to meet demand for 2-1/2 months.

Metals and Energy	Code	20/10/2023	27/10/2023	% change
Copper (COMEX)	CPEZ23	3,5530	3,6460	2,62%
Copper (LME)	CAD	7948,5	8099	1,89%
Aluminum (LME)	AHD	2181,5	2220	1,76%
Iron Ore (SGX)	FEFX23	112,07	119,67	6,78%
Crude Oil WTI	CLEZ23	88,08	85,54	-2,88%
Brent Crude Oil	QOZ23	92,16	90,48	-1,82%

- Metals:

+ Copper LME prices rose 1.9% last week as the US dollar weakened, China's metal demand recovered, and technical signals were bullish. Copper prices rebounded from an 11-month low on Monday and broke above the 21-day moving average on Friday. Other factors supporting copper prices included stronger Chinese industrial profits in September, suggesting an improving economy as the government rolled out a series of support policies. Last week, Chinese lawmakers approved 1 trillion CNY in bonds to help rebuild areas damaged by natural disasters, which will require a lot of copper for construction.

+ Copper inventories managed by the Shanghai Futures Exchange declined to 478,725 tons, the lowest since February 6, as tightening scrap supplies in China boosted demand for finished copper.

- Energy:

+ Oil prices still closely followed the situation of the war in the Middle East. However, the pressures from macroeconomic factors overshadowed and pulled prices down sharply in the early sessions of last week. WTI oil prices closed the week down 2.88% to \$85.54 per barrel. Brent oil fell 1.82% to \$90.48 per barrel.

+ European gas storage is almost full at 99%. DB said Europe is unlikely to run out of gas this winter, but may end with uncomfortable low storage

+ Egypt's natural gas imports have fallen from 800mcf/d to zero, according to the cabinet, linked to the shutdown of Tarmar gas field. Chevron, which runs the gas field in Israel, had said on Friday it continued to execute some of its contracts with Egypt. Egypt typically import gas from Israel and then export some to Europe as LPG. Last week, Egypt announced that it would restart exporting natural gas as domestic demand falls.

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