

# GLOBAL MARKETS UPDATE

*15<sup>th</sup>-21<sup>st</sup> July, 2024*

GLOBAL MARKETS DIVISION  
PRODUCTS AND MIDDLE OFFICE DEPARTMENT

|                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|-----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>US</b>       | <ul style="list-style-type: none"><li>• <b>DXY</b> rebounded on Thursday and Friday to reach <b>104.396 (+0.29% wow)</b> as economic data remained positive (retail sales figures did not decline as forecast) and a global IT crash on Friday caused a rise in safe haven demand for USD. In the near future, the DXY may tick down as the market expects a rate cut in September meeting (more than 90% chance) to support the economy when the number of initial jobless claims in June recorded at 243,000, higher than 230,000 predicted.</li></ul> |
| <b>Eurozone</b> | <ul style="list-style-type: none"><li>• <b>EUR/USD</b> fell to <b>1.0877, -0.27% wow</b>. During the week, Euro area annual inflation was 2.5% yoy in June 2024, down from 2.6% yoy in May 2024, matching forecast. Nevertheless, during the July meeting (where ECB's rate is kept unchanged at 3.75% per annum), the ECB said that September move were "wide open" as sticky service inflation staying at 4.1% yoy.</li></ul>                                                                                                                          |
| <b>UK</b>       | <ul style="list-style-type: none"><li>• <b>GBP/USD</b> closed this week at <b>1.292, -0.56% wow</b>, mainly due to the stronger greenbacks. Inflation in June was unchanged at 2% yoy, beating forecast of 1.9%, and service inflation remained at 5.7% yoy. Therefore, it is unlikely that the BOE will cut rates in August 's meeting.</li></ul>                                                                                                                                                                                                       |
| <b>Japan</b>    | <ul style="list-style-type: none"><li>• <b>JPY</b> ticked up <b>+0.25%</b> against USD and closed this week at <b>157.49</b>. One of the supporting news was Japan recording the trade surplus at 1.4 billion USD, mainly due to lower-than-forecast imports.</li></ul>                                                                                                                                                                                                                                                                                  |
| <b>China</b>    | <ul style="list-style-type: none"><li>• <b>USD/CNY</b> up <b>+0.27%</b> and ended this week at <b>7.270</b>. China's GDP growth in Q2 was 4.7% yoy, below the expected figure 5.1%. In the meantime, retail sales grew 2% yoy, which was the lowest level in the past 17 months.</li></ul>                                                                                                                                                                                                                                                               |

## Money market

- Interbank rate fluctuated around OMOs' rate. Till 19<sup>th</sup> Jul, 2024, O/N – 1M rates posted at **4.5-5% per annum**, largely unchanged compared to last week.
- Open Market remained active due to abundant liquidity. Total volume of SBV-bills and reverse repo this week were VND 48,100 bn and VND 34,300 bn, respectively.
- As of 19<sup>th</sup> Jul, SBV net withdrew VND **47,500 bn** via OMOs, which was VND 13,000 bn lower than last week.

## Foreign exchange market

- **USD/VND interbank** closed on Friday **100-dong lower than last week** due to weaker USD as market expectation of a possible rate cut after September FOMC meeting (roughly 90%). As of 19<sup>th</sup> Jul, interbank FX rate rose **+4,4% YTD, +7,12% YoY**.
- SBV central rate and spot selling price were stable, while unofficial exchange rate quoted at 25,750, about 300-dong higher than VCB's asking fx rate.
- As of 19<sup>th</sup> Jul, SJC gold price was **VND 80 mil per tael (+3,9% wow)**. Estimated price gap between domestic and global price (tax, fee excluded) at ~VND 6.6 mil per tael.

## Government bond market

- **Primary**
  - VND **9,050 bn** was mobilized from State Treasury out of VND 12,000 bn offered at 10Y, 15Y and 20Y. Winning volume-to-offering ratios stood at 85%, 58% and 100%, respectively, No winning volume recorded at 5Y tenor. In detail:
    - . 10Y: VND 6,800 bn VND winning bid rate @ **2.76%** (+2 bps wow),
    - . 15Y: VND 1,750 bn VND winning bid rate @ **2.95%** (unchanged),
    - . 20Y: VND 500 bn VND winning bid rate @ **2,98%** (+12bps compared to lastest session 15th May).
  - As of last week, total issued volume was VND **183,144 bn (or 45.8% of annual plan)**.
- **Secondary**
  - In the secondary market, government bond's trading value ranged from VND 4,000-7,000 bn per trading day, most trades in tenor from 10Y to 15Y.
  - As of 19<sup>th</sup> Jul, bond yields for tenors 5Y, 10Y and 15Y posted at 1.98% p.a., 2.79% p.a. and 2.95% p.a., respectively, decreaseing by 1-3 bps compared to last week.

## Coffee (ICE)

- Coffee prices **fall** from last week as concerns about drought and frost in major growing regions in Brazil eased. As of 19<sup>th</sup> July, December Arabica coffee price (ICE US) **closed down 4.8%** compared to last week, to **2,366 USD/pound**, while September Robusta coffee price (ICE UK) **decreased by 2%** compared to last week, to about **4,522 USD/ton**.

## Wheat (CBOT)

- September wheat price **fell 1.45%** from last week to **\$5.43/bushel** as the International Grains Council increased its outlook for world wheat production in 2024/25 by 1% compared to previous forecast.
- December corn price **slid 2.4%** from last week to **\$4.05/bushel**, as the expected regional weather for corn in the U.S. generally favored, bolstering expectations for a large U.S. corn harvest.

## Metal (COMEX, DCE)

- September Copper (COMEX) prices **dropped** to **4.23 USD/pound (-6%)**, and at the same time, September iron ore 62% Fe (DCE) also **fell** by **3%** to **110 USD/ton** (801 CNY) as inventories increased sharply in recent months, China's copper imports decreased, and the China Third Plenum closed without introducing new economic stimulus measures.

## Energy (NYMEX)



















































- Oil prices fell as data from China's General Administration of Customs showed Chinese imports of oil products in June **reduced** by **33% mom**.
- As of 19<sup>th</sup> July, August WTI oil prices **decreased** to **\$80.13/barrel (-2,5% wow)**, September Brent oil prices **decreased** to **82.63 USD/barrel (-3.14% wow)**.

# EXCHANGE RATE

|                           | 19/07/2024 | Last week | 5D (+/-) | MTD (+/-) | YTD (+/-) | YOY (+/-) |
|---------------------------|------------|-----------|----------|-----------|-----------|-----------|
| USD index                 | 104,396    |           | 0,29%    | -1,39%    | 3,02%     | 4,11%     |
| EUR/USD                   | 1,0877     |           | -0,27%   | 1,53%     | -1,44%    | -2,87%    |
| GBP/USD                   | 1,2919     |           | -0,56%   | 2,19%     | 1,49%     | -0,14%    |
| AUD/USD                   | 0,6682     |           | -1,49%   | 0,22%     | -1,88%    | -1,36%    |
| USD/JPY                   | 157,490    |           | -0,25%   | -2,08%    | 11,65%    | 12,76%    |
| USD/CNY                   | 7,270      |           | 0,27%    | 0,03%     | 2,42%     | 0,60%     |
| USD/KRW                   | 1.388,79   |           | 1,10%    | 0,58%     | 7,29%     | 9,62%     |
| XAU (USD/oz)              | 2.401,60   |           | -0,43%   | 3,15%     | 16,41%    | 21,42%    |
| VCB asking FX rate        | 25.458     |           | -0,01%   | -0,06%    | 4,17%     | 6,90%     |
| SBV central FX rate       | 24.246     |           | -0,01%   | -0,06%    | 1,59%     | 2,29%     |
| SBV bid FX rate           | 23.400     |           | 0,00%    | 0,00%     | 0,00%     | 0,00%     |
| SBV ask FX rate           | 25.450     |           | 0,00%    | 0,00%     | 1,76%     | 2,46%     |
| Unofficial FX rate        | 25.676     |           | -0,23%   | -1,30%    | 3,57%     | 8,62%     |
| SJC gold (VND thou./tael) | 80.000     |           | 3,90%    | 3,92%     | 8,11%     | 19,31%    |

\*Source: Refinitiv

# INTEREST RATE

|                             | 19/07/2024 | Last week                                                                          | 5D (+/-)                                                                                 | MTD (+/-)                                                                                 | YTD (+/-)                                                                                 | YOY (+/-)                                                                                 |
|-----------------------------|------------|------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|
| <b>SOFR</b>                 | unit: %    |                                                                                    | unit: bps                                                                                |                                                                                           |                                                                                           |                                                                                           |
| CME 3M                      | 5,35       |   |  1,9   |  1,0   |  -0,8  |  8,3   |
| CME 6M                      | 5,28       |   |  -0,3  |  -4,2  |  -4,8  |  -5,1  |
| <b>US Treasuries</b>        | unit: %    |                                                                                    |                                                                                          |                                                                                           |                                                                                           |                                                                                           |
| 2Y                          | 4,52       |   |  5,9   |  -23,3 |  26,7  |  -25,1 |
| 10Y                         | 4,24       |   |  5,6   |  -14,9 |  37,7  |  49,5  |
| <b>Money Market</b>         | unit: %    |                                                                                    | unit: % point                                                                            |                                                                                           |                                                                                           |                                                                                           |
| 1W                          | 4,64       |   |  0,03  |  -0,26 |  1,36  |  4,04  |
| 1M                          | 4,96       |   |  -0,01 |  -0,04 |  2,40  |  2,85  |
| <b>VN Treasuries (VBMA)</b> | unit: %    |                                                                                    | unit: bps                                                                                |                                                                                           |                                                                                           |                                                                                           |
| 5Y                          | 1,98       |   |  -0,1  |  -0,2  |  44,3  |  5,6   |
| 7Y                          | 2,29       |   |  -0,9  |  -0,2  |  34,8  |  9,4   |
| 10Y                         | 2,79       |   |  -0,3  |  0,3   |  55,1  |  32,0  |
| 15Y                         | 2,95       |  |  -0,5 |  0,2  |  51,8 |  24,6 |

\*Source: Refinitiv

# MACROECONOMIC INDICE

|                            | Unit   | 06/23 | 07/23 | 08/23 | 09/23 | 10/23 | 11/23 | 12/23 | 01/24 | 02/24 | 03/24 | 04/24 | 05/24 | 06/24 |
|----------------------------|--------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| <b>Consumer index</b>      |        |       |       |       |       |       |       |       |       |       |       |       |       |       |
| Retail sale, service       | % yoy  | 6.5   | 7.1   | 7.6   | 7.5   | 7.0   | 10.1  | 9.3   | 8.1   | 8.5   | 9.2   | 9.0   | 8.7   | 8.6   |
| - Retail sales             | % yoy  | 6.0   | 7.0   | 7.5   | 7.4   | 6.7   | 9.1   | 8.6   | 7.3   | 7.0   | 7.6   | 7.2   | 7.4   | 8.1   |
| - Accomodation             | % yoy  | 7.8   | 6.5   | 21.3  | 44.9  | 51.4  | 70.9  | 71.3  | 18.5  | 35.8  | 66.1  | 57.6  | 45.1  | 37.1  |
| Customers transport        | % yoy  | 1.8   | 5.3   | 5.9   | 5.7   | 6.5   | 5.1   | 8.5   | 3.0   | 14.3  | 9.4   | 8.2   | 6.1   | 4.3   |
| Goods transport            | % yoy  | 10.9  | 9.8   | 13.6  | 12.5  | 11.9  | 7.7   | 8.2   | 1.8   | 13.5  | 13.3  | 11.5  | 11.4  | 13.5  |
| Foreign customers          | % yoy  | 312.0 | 194.6 | 150.3 | 144.1 | 129.7 | 106.6 | 93.9  | 10.3  | 64.1  | 78.6  | 58.2  | 64.9  | 58.4  |
| <b>Manufacturing index</b> |        |       |       |       |       |       |       |       |       |       |       |       |       |       |
| Manufacturing industry     | yoy    | 2.8   | 3.7   | 2.6   | 5.1   | 4.1   | 5.8   | 5.8   | 18.3  | 5.7   | 4.1   | 6.3   | 6.8   | 9.5   |
| - Manufacturing subsector  | yoy    | 2.9   | 3.6   | 3.5   | 5.9   | 4.9   | 6.3   | 7.6   | 19.3  | 5.9   | 4.6   | 7.0   | 7.3   | 10.8  |
| Manufacturing PMI          | index  | 46.2  | 48.7  | 50.5  | 49.7  | 49.6  | 47.3  | 48.9  | 50.3  | 50.4  | 49.9  | 50.3  | 50.3  | 54.7  |
| PMI-new orders             | index  | 45.0  | 48.5  | 49.7  | 48.3  | 50.1  | 48.8  | 49.9  | 49.7  | 50.9  | 52.1  |       |       |       |
| Unemployment (Quarter)     | %      |       |       | 2.3   |       |       | 2.3   |       |       | 2.2   |       |       | 2.3   |       |
| Labor - CBCT               | % yoy  | -4.5  | 0.9   | 1.0   | 1.0   | 1.0   | 1.0   | 1.0   | 0.5   | 0.3   | 1.1   | 3.4   | 3.4   | 4.0   |
| Total investment           | % yoy  |       |       | 7.6   |       |       | 7.5   |       |       | 5.2   |       |       | 6.8   |       |
| <b>FDI</b>                 |        |       |       |       |       |       |       |       |       |       |       |       |       |       |
| Newly registered           | USD bn | 2.6   | 2.8   | 1.9   | 2.1   | 5.6   | 3.1   | 7.8   | 2.4   | 1.9   | 0.5   | 2.3   | 0.8   | 1.6   |
| - Manufacturing            | USD bn | 1.8   | 2.5   | 1.4   | 1.7   | 4.8   | 2.1   | 2.5   | 0.9   | 1.6   | 1.4   | 1.1   | 2.4   | 3.3   |
| Disbursement               | USD bn | 2.4   | 1.6   | 1.5   | 2.8   | 2.1   | 2.3   | 2.9   | 1.5   | 1.3   | 1.8   | 1.7   | 2.0   | 2.6   |
| <b>Trade</b>               |        |       |       |       |       |       |       |       |       |       |       |       |       |       |
| Export                     | % yoy  | -11.4 | -3.5  | -7.6  | 4.6   | 5.9   | 6.7   | 13.1  | 42.0  | -5.0  | 14.2  | 10.6  | 15.2  | 14.5  |
| Import                     | % yoy  | -16.9 | -9.9  | -8.3  | 2.6   | 5.2   | 5.1   | 12.3  | 33.3  | 1.8   | 9.7   | 15.4  | 18.2  | 17.0  |
| Trade balance for goods    | USD bn | 3.1   | 2.2   | 3.8   | 2.3   | 3.0   | 1.3   | 2.3   | 2.9   | 1.1   | 2.9   | 0.7   | -1.0  | 2.9   |
| Trade balance for services | USD bn |       |       | -2.6  |       |       | -2.8  |       |       | -2.3  |       |       | -4.9  |       |
| <b>CPI</b>                 |        |       |       |       |       |       |       |       |       |       |       |       |       |       |
| Headline inflation         | % yoy  | 2.0   | 2.1   | 3.0   | 3.7   | 3.6   | 3.4   | 3.6   | 3.4   | 4.0   | 3.8   | 3.9   | 4.0   | 4.1   |
| Core inflation             | % yoy  | 4.3   | 4.1   | 4.0   | 3.8   | 3.4   | 3.2   | 3.0   | 2.7   | 3.0   | 2.8   | 2.8   | 2.8   | 2.6   |
| Input price - PMI          | index  | 47.6  | 48.3  | 52.8  | 54.7  | 55.8  | 55.9  | 55.5  | 55.6  | 55.0  | 53.0  |       |       |       |
| Output price- PMI          | index  | 45.9  | 46.0  | 51.2  | 51.9  | 52.4  | 52.1  | 50.2  | 49.7  | 50.8  | 49.6  |       |       |       |



## Event from 22<sup>nd</sup>- 26<sup>th</sup> July, 2024

22/07

- ✓ **China:** Interest rate decision, FDI in June
- ✓ **Germany:** Retail sales

23/07

- ✓ **The US: Existing** Home sales in June
- ✓ **India:** Federal budget

24/07

- ✓ **Eurozone, the UK:** PMI in July
- ✓ **The US:** PMI in July, New home sales in June, crude oil reserve
- ✓ **Canada:** Interest rate decision

25/07

- ✓ **The US:** GDP in Q2 (QoQ), Initial jobless claims
- ✓ **Japan:** Core CPI Tokyo in July

26/07

- ✓ **The US:** Core PCE in June, Consumer sentiment

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