

# GLOBAL MARKETS UPDATE

*22<sup>nd</sup>-28<sup>th</sup> July, 2024*

GLOBAL MARKETS DIVISION  
PRODUCTS AND MIDDLE OFFICE DEPARTMENT

## The US

- **DXY** largely unchanged and closed last week at **104.316 (-0.08% wow)**. US GDP grew at 2.8% annualized rate in Q2, beating consensus of 2%. However, low growth of disposable income (implying consumer spending growth not sustainable), core PCE inflation (+2.6% yoy) in line with expectations, and that housing market recovery regressed have raised market confidence in the likelihood of the Fed cutting rate in September meeting. Yield on policy-sensitive 2-year US Treasuries slid by 13 bps, while the 10-year UST down by 5 bps; Fed funds futures prices implied the market participants were pricing in 3 rate cuts in 2024.

## Eurozone

- **EUR/USD** closed at **1.0857, (-0.18% wow)** last Friday. During the week, PMI in manufacturing and services both ticked down fractionally and were slightly lower than expectation. In July meeting (in which ECB held rate unchanged at 3.75% per annum), the ECB said to closely monitor inflation due to sticky service inflation posting at 4.1% yoy.

## The UK

- **GBP/USD** ended last week at **1.287, (-0.36% wow)**. July manufacturing PMI posted at 51.8, beating forecast of 51.1 and higher than last month's reading of 50.9. Therefore, it is unlikely that the BOE will cut rate in August 's meeting.

## Japan

- **JPY rose +2.39%** against USD and closed at **153.72** on Friday as market expectation in a rate cut in September sustained.

## China

- **USD/CNY** down **0.27%** and ended last week at **7.25**. This week, PBoC decided to cut benchmark lending rates. The one-year loan prime rate (LPR) was lowered by 10 basis points to 3.35% p.a., while the five-year LPR was cut by 10 bps to 3.85% p.a. PBoC made another surprise cut at the end of the week with a 20-bps cut to the (MLF) rate, which aimed to support weaker-than-expected growth.

## Money market

- Interbank rate fluctuated around OMOs' rate level. As of 26<sup>th</sup> Jul, O/N – 1M rates posted at **4.6 - 5% per annum**, with a slightly higher rates recorded in the overnight tenor.
- Trading in the Open Market remained active thanks to high demand for liquidity. This week, total volume of SBV bills and reverse repo transacted were VND 16,200 bn and VND 59,045 bn, respectively. Net withdrawal this week were VND **42,190 bn**.
- As of 26<sup>th</sup> July, net OMO position recorded at – VND 5,255 bn (of which SBV bills at VND 64,300 bn; reverse repo at VND 59,045 bn).

## Foreign exchange market

- **Interbank USD/VND rate slid 30 dong** compared to the previous week, due to slightly weaker USD. As of 26<sup>th</sup> Jul, interbank FX rate has raised **+4.37% ytd** or **+6.92% yoy**.
- SBV's central rate and spot selling price were stable, while unofficial exchange rate recorded at 25,736, 260-dong higher than VCB's quoted asking rate.
- SJC gold price slid to VND **79.5 mil per tael (-0.6% wow)**. Estimated price gap between domestic and global price (tax, fee excluded) at ~VND 6.7 mil per tael.

## Government Bond market

### ➤ Primary

- VN's State Treasury auctioned off VND **4,850 bn** last week, out of combined VND 12,000 bn offerings at 5Y, 10Y, 15Y and 20Y tenors. Winning volume-to-offering ratios stood at 100%; 32.86%; 33.33%; 70% respectively. In detail:
  - . 5Y: VND 500 bn VND winning bid rate at 1.9% p.a. (**+5 bps** compared to lastest session in June),
  - . 10Y: VND 2,300 bn VND winning bid rate at **2.76%** (unchanged),
  - . 15Y: VND 1,000 bn VND winning rate at **2.95%** (+1 bp),
  - . 20Y: VND 1,050 bn VND winning rate at **2.98%** (unchanged).
- Year-to-date issuance volume has reached VND **187,994 bn (or 47% of 2024's plan)**.

### ➤ Secondary

- In the secondary market, government bond's trading volume ranged from VND 8,000-12,000 bn per trading day, mostly in 10Y- 15Y tenors.
- As of 26<sup>th</sup> Jul, yields on benchmark 5Y, 10Y and 15Y tenors posted at 1.98% p.a., 2.8% p.a. and 2.96% p.a. respectively, largely unchanged compared to last week.

---

## Coffee (ICE)

- Coffee prices **fell** from last week as concerns about drought and frost in major growing regions in Brazil eased. As of July 26, December Arabica coffee price (ICE US) **fell by 1.5%** compared to last week, to **2.32 USD/pound**, while September Robusta coffee price (ICE UK) **dropped by 4.1%** to about **4,338 USD/ton**.

---

## Wheat (CBOT)

- September wheat price **increased 4%** from last week to **\$5.65 per bushel** due to heavier rain forecast in the US.
- December corn price **was stable** during last week at around **4.04 USD/bushel**, as the weather forecast for corn growing region in the U.S. are generally favored, bolstering expectations for a large U.S. corn harvest.

---

## Metal (COMEX, DCE)

- September copper (COMEX) prices **sank** during the week, to **4.13 USD/pound (-2.4%)**, while September iron ore 62% Fe contract (DCE) also **fell -2.8%** to **107 USD/ton** (779 CNY) due to laggard demand from China.

---

## Energy (NYMEX)

- Oil prices has fallen three weeks in a row as China GDP growth in Q2 recorded at 4.7% yoy - below expectations.
- As of July 26<sup>th</sup>, August WTI oil prices **fell by -2.8%** to **77.9 USD/barrel**, September Brent oil prices ticked down **0.8%** to **82.02 USD/barrel**.

# EXCHANGE RATE

	26/07/2024	Last week	5D (+/-)	MTD (+/-)	YTD (+/-)	YOY (+/-)
USD index	104.316		▼ -0.08%	▼ -1.46%	▲ 2.94%	▲ 3.40%
EUR/USD	1.0857		▼ -0.18%	▲ 1.34%	▼ -1.62%	▼ -2.04%
GBP/USD	1.2872		▼ -0.36%	▲ 1.82%	▲ 1.12%	▼ -0.52%
AUD/USD	0.6548		▼ -2.01%	▼ -1.78%	▼ -3.85%	▼ -3.08%
USD/JPY	153.720		▼ -2.39%	▼ -4.42%	▲ 8.97%	▲ 9.64%
USD/CNY	7.250		▼ -0.27%	▼ -0.23%	▲ 2.15%	▲ 1.40%
USD/KRW	1,383.72		▼ -0.37%	▲ 0.22%	▲ 6.90%	▲ 8.89%
XAU (USD/oz)	2,388.08		▼ -0.56%	▲ 2.57%	▲ 15.76%	▲ 21.05%
VCB asking FX rate	25,461		▲ 0.01%	▼ -0.05%	▲ 4.18%	▲ 6.82%
SBV central FX rate	24,249		▲ 0.01%	▼ -0.05%	▲ 1.60%	▲ 2.12%
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%	▲ 2.28%
Unofficial FX rate	25,736		▲ 0.23%	▲ 2.88%	▲ 3.81%	▲ 8.48%
SJC gold (VND thou./tael)	79,500		▼ -0.62%	▲ 3.27%	▲ 7.43%	▲ 16.40%

\*Source: Refinitiv

# INTEREST RATE

	26/07/2024	Last week	5D (+/-)	MTD (+/-)	YTD (+/-)	YOY (+/-)
<b>SOFR</b>	unit: %		unit: bps			
CME 3M	5.35		▼ 0.0	▲ 1.0	▼ -0.8	▲ 2.9
CME 6M	5.26		▼ -2.8	▼ -6.9	▼ -7.6	▼ -11.0
<b>US Treasuries</b>	unit: %					
2Y	4.39		▼ -13.0	▼ -36.3	▲ 13.7	▼ -46.3
10Y	4.19		▼ -4.9	▼ -19.8	▲ 32.8	▲ 32.1
<b>Money Market</b>	unit: %		unit: % point			
1W	5.00		▲ 0.36	▲ 0.10	▲ 1.72	▲ 4.53
1M	5.02		▲ 0.06	▲ 0.02	▲ 2.46	▲ 3.02
<b>VN Treasuries (VBMA)</b>	unit: %		unit: bps			
5Y	1.98		▲ 0.5	▲ 0.3	▲ 44.8	▲ 11.0
7Y	2.30		▲ 0.8	▲ 0.6	▲ 35.6	▲ 14.0
10Y	2.80		▲ 1.0	▲ 1.3	▲ 56.1	▲ 35.7
15Y	2.96		▲ 0.4	▲ 0.6	▲ 52.2	▲ 30.7

\*Source: Refinitiv

# MACROECONOMIC INDICE

	Unit	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24
<b>Consumption</b>														
Retail sales and services	% yoy	7.1	7.6	7.5	7.0	10.1	9.3	8.1	8.5	9.2	9.0	8.7	8.6	8.7
- Retail sales	% yoy	7.0	7.5	7.4	6.7	9.1	8.6	7.3	7.0	7.6	7.2	7.4	8.1	7.4
- Tourism	% yoy	6.5	21.3	44.9	51.4	70.9	71.3	18.5	35.8	66.1	57.6	45.1	37.1	31.8
Passenger transport	% yoy	5.3	5.9	5.7	6.5	5.1	8.5	3.0	14.3	9.4	8.2	6.1	4.3	7.2
Freight transport	% yoy	9.8	13.6	12.5	11.9	7.7	8.2	1.8	13.5	13.3	11.5	11.4	13.5	13.3
International visitors	% yoy	194.6	150.3	144.1	129.7	106.6	93.9	10.3	64.1	78.6	58.2	64.9	58.4	51.0
<b>Manufacturing</b>														
Industrial production	% yoy	3.7	2.6	5.1	4.1	5.8	5.8	18.3	5.7	4.1	6.3	6.8	9.5	8.5
- Processing and Mfg.	% yoy	3.6	3.5	5.9	4.9	6.3	7.6	19.3	5.9	4.6	7.0	7.3	10.8	9.5
PMI manufacturing	index	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 - employment index	index	48.5	49.7	48.3	50.1	48.8	49.9	49.7	50.9	52.1				
Unemployment rate (qtr)	%		2.3			2.3			2.2			2.3		
Labor employed - Mfg.	% yoy	0.9	1.0	1.0	1.0	1.0	1.0	0.5	0.3	1.1	3.4	3.4	4.0	3.3
Total investment	% yoy		7.6			7.5			5.2			6.8		
<b>Foreign investment</b>														
New registered	USD bn.	2.8	1.9	2.1	5.6	3.1	7.8	2.4	1.9	0.5	2.3	0.8	1.6	2.8
- Processing and Mfg.	USD bn.	2.5	1.4	1.7	4.8	2.1	2.5	0.9	1.6	1.4	1.1	2.4	3.3	
Realized	USD bn.	1.6	1.5	2.8	2.1	2.3	2.9	1.5	1.3	1.8	1.7	2.0	2.6	1.7
<b>Trade</b>														
Exports, goods	% yoy	-3.5	-7.6	4.6	5.9	6.7	13.1	42.0	-5.0	14.2	10.6	15.2	14.5	15.7
Imports, goods	% yoy	-9.9	-8.3	2.6	5.2	5.1	12.3	33.3	1.8	9.7	15.4	18.2	17.0	18.5
Trade balance, goods	USD bn.	2.2	3.8	2.3	3.0	1.3	2.3	2.9	1.1	2.9	0.7	-1.0	2.9	2.1
Trade balance, services (qtr)	USD bn.		-2.6			-2.8			-2.3			-4.9		
<b>Consumer price index</b>														
Headline inflation	% yoy	2.1	3.0	3.7	3.6	3.4	3.6	3.4	4.0	4.0	4.4	4.4	4.1	4.1
Core inflation	% yoy	4.1	4.0	3.8	3.4	3.2	3.0	2.7	3.0	2.8	2.8	2.7	2.6	2.7
PMI - input price	index	48.3	52.8	54.7	55.8	55.9	55.5	55.6	55.0	53.0				
PMI - output price	index	46.0	51.2	51.9	52.4	52.1	50.2	49.7	50.8	49.6				



## Event from 29<sup>th</sup> July- 02<sup>nd</sup> August, 2024

29/07

- ✓ **Germany:** Retail sales

30/07

- ✓ **France, Germany, Eurozone:** GDP growth in 2Q.
- ✓ **Germany:** Inflation in July
- ✓ **The US:** Consumer confidence
- ✓ **China:** Manufacturing PMI

31/07

- ✓ **Eurozone:** inflation in July
- ✓ **The US:** crude oil inventory, Fed rate's decision
- ✓ **Canada:** interest rate decision

01/08

- ✓ **The US:** PMI in July, Initial jobless claims
- ✓ **Eurozone:** Unemployment rate in June
- ✓ **The UK:** BOE's interest rate decision

02/08

- ✓ **The US:** nonfarm payroll, labor market's figures

# DISCLAIMER

---

*This document is for information purposes only, VCB is not responsible for any losses caused by the use of the above information. The information in this document may change according to market developments and VCB is not responsible for notifying these changes. This document is the product and property of VCB. Reproduction, modification and printing without VCB's consent are all illegal.*

*Contact information: Products and Middle Office Department – Global Market Division  
Vietcombank Tower, 198 Tran Quang Khai, Hoan Kiem, Ha Noi  
Telephone: 84 - 4 - 3934 3137  
Email: [ptsp.gsgdv@vietcombank.com.vn](mailto:ptsp.gsgdv@vietcombank.com.vn)*