

JUNE MACRO VIEW

Domestic areas rebound

Trade downtrend to decelerate



USD18.5bn export

↓ 15.5% YoY

USD19.4bn import

↓ 16.4% YoY

Trade downtrend accelerated in May 2020 as export and import declined by 15.54% YoY and 16.36% YoY, respectively. We expect that trade activities will become less severe in June as consumer confidence and manufacturing of large trading partners bounce back.

Oil prices rebound to ease traffic price



3.49% CPI rolling 12-month

↓ 0.03% MoM

The Consumer Price Index (CPI) continued to decrease by 0.03% compared to previous month, but the downward momentum seems to significantly lose its energy. We predict that the improvement in domestic consumer confidence will encourage spending and partly put upward pressure on CPI in next month.

FDI yet to pick up



VND1.55bn Registered FDI

↓ 27.6% YoY

VND1.55bn Disbursed FDI

↓ 3.13% YoY

Although some other macroeconomic indicators show resilience along with economic re-opening, the economy still finds it struggling to attract foreign investment. June is not likely to see any surprises in FDI numbers. From our perspective, timing for the recovery in FDI will likely place in 3Q20.

Strong rebound in IIP draws attention



↓ **3.13% YoY** Industrial Production

In May, business conditions in the industrial sector turned much better as economic activities almost resumed in the country and around the globe, which somewhat eased tremendous downward pressure due to weak demand. We expect the IIP will improve further in June in a range from 0 - 3% YoY.

Mixed signals from ASEAN currencies



VND23,282 USD/VND

As the global economy is on the way to re-open more and more in June combined with a strong downward momentum of the greenback recently, we expect the USD will drop further in May. As a result, it is likely that VND will go up but slightly by about 0.1% - 0.4% by the end of June.

State budget posts a deficit of VND7.8tn



VND529.6tn Revenue

VND537.4tn Expenditure

According to GSO's estimation, in 5M20, total government revenue posted VND529.6tn, equivalent to 35% of the year estimate. Total expenditure was estimated at VND537.4tn, fulfilling 30.8% of the year estimate. As a result, in 4M20, the state budget recorded a deficit of VND7.8tn.