



Vietnam Market

Vietnam's economy is forecast to grow 6.8% in 2026:

- According to the May report of the World Bank, **Vietnam's economy is forecast to grow 6.8% (2026), 7.1% (2027), and 7.4% (2028).**

Assessment: The 2026 growth in the May report is adjusted up from the 6.3% forecast of the previous month, while the 2027 forecast is adjusted down from 7.6% to 7.1%, mainly reflecting the impact of the Middle East conflict. However, Vietnam continues to be the country that the World Bank forecasts to have the highest growth rate among countries in the East Asia and Pacific region.

Stock market:

- **VNINDEX:** Increased 0.3% WoW. Accumulated in 2026, increased 7.7% YTD.
- **Foreign investors' transactions:** Net sold 3,747 billion VND. Accumulated from the beginning of 2026: net sold 51,363 billion VND.

Update on the Iran - U.S. - Israel Conflict

- **US - Iran negotiations stall:** On May 17, Iranian media reported that the US did not make any substantial concessions in the negotiation proposal to end the war. Accordingly, the US sent a response with a 5-point list, which includes a requirement that Iran is only allowed to maintain the operation of one nuclear facility and transfer its highly enriched uranium stockpile to the US (the remaining 3 points have not been specifically disclosed).
- **New management mechanism at the Strait of Hormuz:** Iran publicly announced a plan to collect tolls through the Strait of Hormuz by establishing the Persian Gulf Strait Authority (PGSA). Based on the declaration of protecting commercial security and sovereignty, this mechanism is expected to only benefit commercial ships and partners cooperating with Tehran.
- **Pressure of tightening energy supply:** The exemption to purchase Russian oil and petroleum products expired on May 16 and has not been extended yet. This will increase pressure on the global energy supply in the context that the Strait of Hormuz is still blockaded.

U.S. Market

US - China Summit:

The US - China summit ended without reaching any significant agreements. The Chinese side agreed to discuss expanding the import of US agricultural products and reducing non-tariff barriers, but the agreements are preliminary without details. Meanwhile, the US side stated that China agreed to buy 200 Boeing aircraft and will import crude oil from the US.

Assessment: Although the summit was only symbolic and did not achieve any substantial results, the positive point is that both the US and China showed a desire to control the risk of escalating tensions in the relations between the two countries.

Inflation rises to the highest level since May 2023:

CPI increased 0.6% MoM in April, pushing inflation up to 3.8%, **the highest level since May 2023.** Core inflation rose to 2.8%, the highest level since September 2025.

Assessment: High energy prices not only contributed more than 40% to the April CPI increase (MoM) but also created a spillover effect on the food and clothing groups. Due to rising inflation pressure, while US - Iran negotiations have no significant progress, interest rate futures contracts on the CME show that the probability of the Fed cutting interest rates before July 2027 is currently less than 3%, while the chance of at least one rate hike in October 2027 has surged to over 60%.

Kevin Warsh is officially approved as Fed Chair:

Kevin Warsh is officially approved as the next Fed Chair, replacing Jerome Powell after May 15.

Assessment: The US Senate confirmed Kevin Warsh as the 17th Fed Chair on May 13, 2026, with the narrowest margin of approval ever, reflecting a deep division in the US Congress over electing the new Fed Chair. This event, combined with the April CPI data and the deadlock in US - Iran negotiations, caused US Treasury bond yields to increase sharply, in which the 30-year bond yield exceeded 5.1%, the highest level since 2007.

Disclaimer:

This report reflects the views of VCBF based on information and data available at the time of publication and is provided for informational purposes only. It should not be construed as investment advice. Investors are advised to follow a structured financial plan and asset allocation strategy aimed at achieving long-term financial objectives, rather than reacting to short-term market fluctuations. Any republication or redistribution of VCBF's views or assessments requires prior consent from VCBF.