

# US Election on Vietnam economy and stock market

# US Presidential Election Results: Trump Wins

**226**  
Kamala Harris

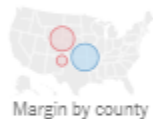
67,871,576 votes (47.6%)

**295**

Donald J. Trump

72,554,584 votes (50.9%)

270  
TO WIN



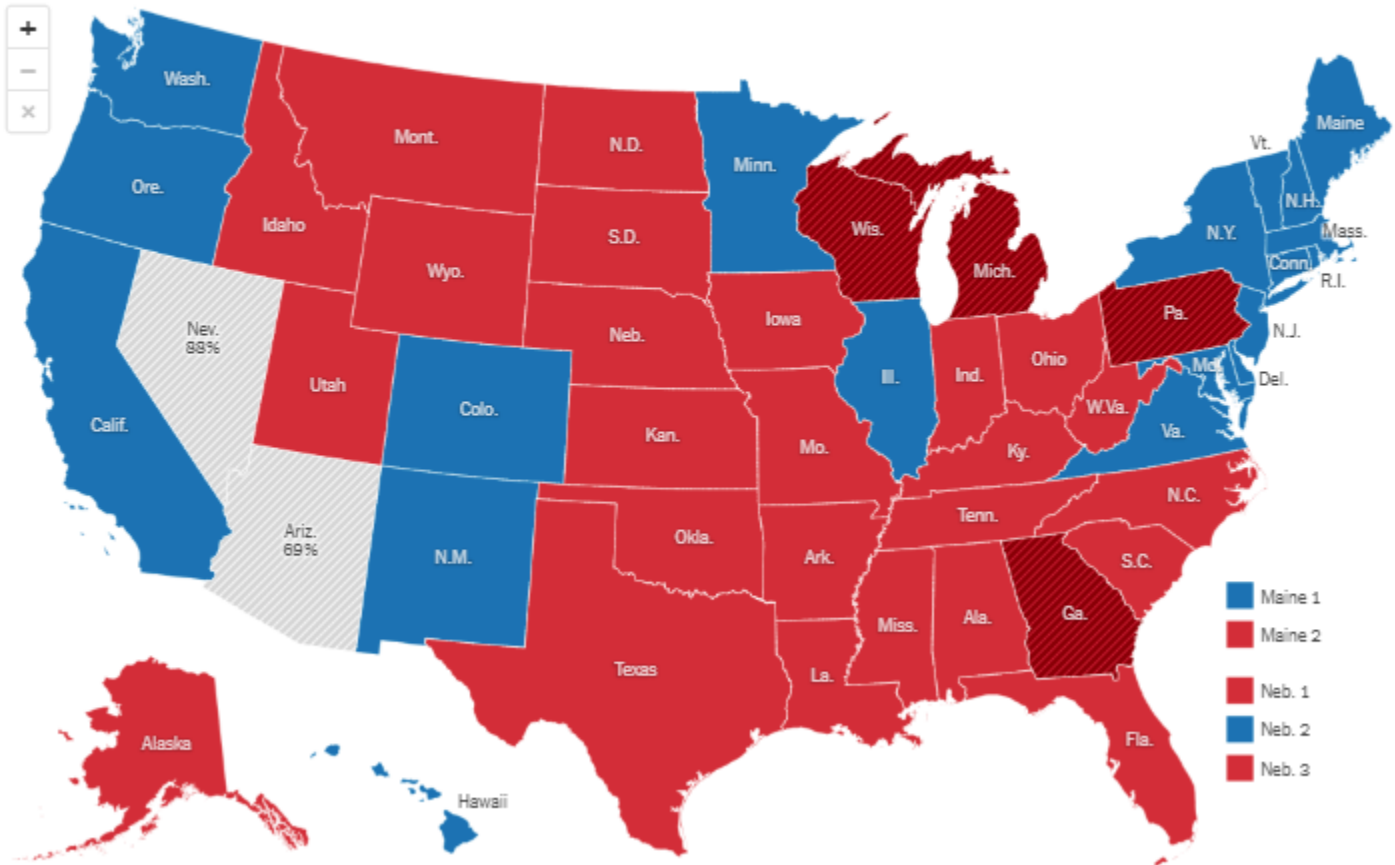
Dem.  
Rep.

Win Flip

Reporting

Percentages are estimates of how much vote has been counted.

County view shows margin of the leading candidate in the votes counted so far.



Maine 1  
Maine 2  
Neb. 1  
Neb. 2  
Neb. 3



# Trump's key policy proposals affecting economics

## Ukraine and Russia

- 'I'm going to stop the wars' – Trump says
- Reduce funding for Ukraine and European allies
- Ukraine needs to be ready to make concessions

## Middle East

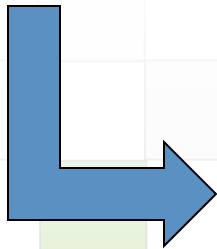
- Trump calls for more action to isolate Iran.
- Trump advocates tough policy towards Iran
- It seems Middle East war (Israel – Iran) will not be finished in short-term

## Tax

- **Import tax:** Trump proposes to increase tariffs up to 60% tax on Chinese goods and 10% - 20% on all imported goods from other countries. While many experts say this could be a negotiating tactic, tariffs will certainly be higher under Trump
- **Corporate income tax (CIT):** reducing US CIT from 21% to 15%

## Oil price

- Trump said: "Rapidly accelerate oil and gas exploitation, while reducing policy barriers to the construction of power plants"
- Oil price can reduce or remain at low region in the future



- US economy will be better
- Oil price reduces
- Ukraine and Russia war will be ended
- However, Middle east war will not be ended in near future
- And more import tax on countries

# Stock market often outperform after the US Election

Both S&P500 and Vn-Index performed rather bad 1 week and 3 months before the US Election, while the performance is much better right after the election

S&P500	-1Y	-3M	-1M	-1W	1W	1M	3M	1Y
1976	-14.6%	1.3%	1.0%	-2.0%	-3.7%	-1.0%	-1.0%	-12.0%
1980	-21.2%	-5.8%	0.2%	-0.8%	1.7%	5.8%	-1.7%	-3.3%
1984	-5.0%	-5.1%	-4.5%	-2.1%	-2.6%	-4.5%	5.8%	13.1%
1988	-11.6%	-4.8%	1.1%	1.4%	-2.5%	0.5%	7.6%	22.9%
1992	-7.1%	0.5%	-2.3%	-0.3%	-0.3%	2.4%	5.4%	10.3%
1996	-17.6%	-7.0%	-1.8%	-1.8%	2.2%	4.2%	10.2%	32.0%
2000	-3.8%	2.9%	-1.6%	-0.2%	-3.4%	-6.2%	-5.4%	-22.1%
2004	-6.3%	-2.8%	0.1%	-17.0%	3.0%	5.3%	4.5%	7.4%
2008	19.4%	28.8%	9.3%	-6.5%	-10.6%	-16.0%	-17.9%	4.1%
2012	-11.7%	-1.8%	2.3%	-1.2%	-3.8%	-1.0%	4.7%	24.0%
2016	-2.9%	1.7%	0.7%	-1.3%	1.9%	5.0%	7.2%	21.3%
2020	-8.6%	-1.2%	-0.6%	0.6%	5.2%	8.8%	12.0%	38.3%
2024	-24.5%	-10.1%	-0.5%	0.9%				
<b>Average</b>	<b>-8.9%</b>	<b>-0.3%</b>	<b>0.3%</b>	<b>-2.3%</b>	<b>-1.1%</b>	<b>0.3%</b>	<b>2.6%</b>	<b>11.3%</b>

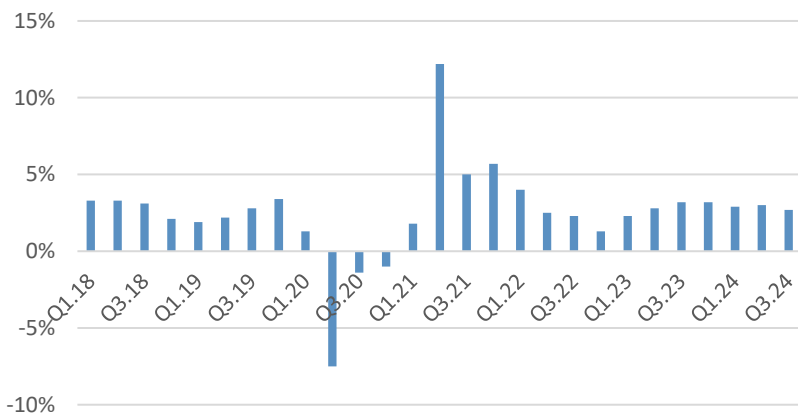
Note: The data as of 6 November 2024  
Source: Bloomberg, FiinX

Vn-Index	-1Y	-3M	-1M	-1W	1W	1M	3M	1Y
2000		-26.9%	-17.7%	-5.2%	5.6%	19.9%	71.6%	85.0%
2004	-41.6%	-0.5%	0.0%	0.4%	-1.6%	-2.1%	30.0%	35.6%
2008	189.7%	21.0%	25.1%	-10.7%	-2.7%	-14.6%	-17.7%	48.7%
2012	8.9%	12.4%	3.0%	3.4%	2.2%	2.3%	28.0%	33.3%
2016	-9.7%	-4.2%	1.1%	0.0%	-0.3%	-2.6%	3.5%	27.1%
2020	9.3%	-10.4%	-2.7%	1.2%	1.8%	9.0%	10.7%	54.4%
2024	-12.5%	-2.4%	2.0%	1.3%				
<b>Average</b>	<b>24.0%</b>	<b>-1.6%</b>	<b>1.5%</b>	<b>-1.4%</b>	<b>0.8%</b>	<b>2.0%</b>	<b>21.0%</b>	<b>47.4%</b>

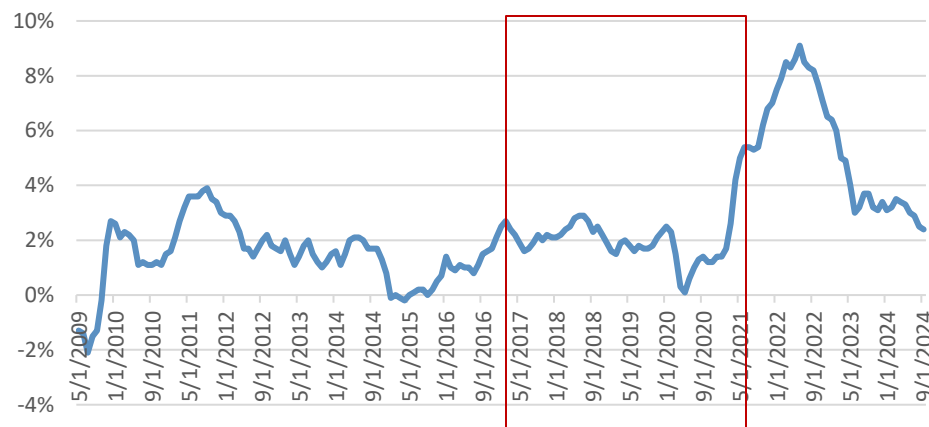
# US economy is good during Trump's 1st term

Except for his last year of the term when the Covid-19 firstly appeared in 2020, all economic indicators in Trump's 1<sup>st</sup> term were good

US GDP



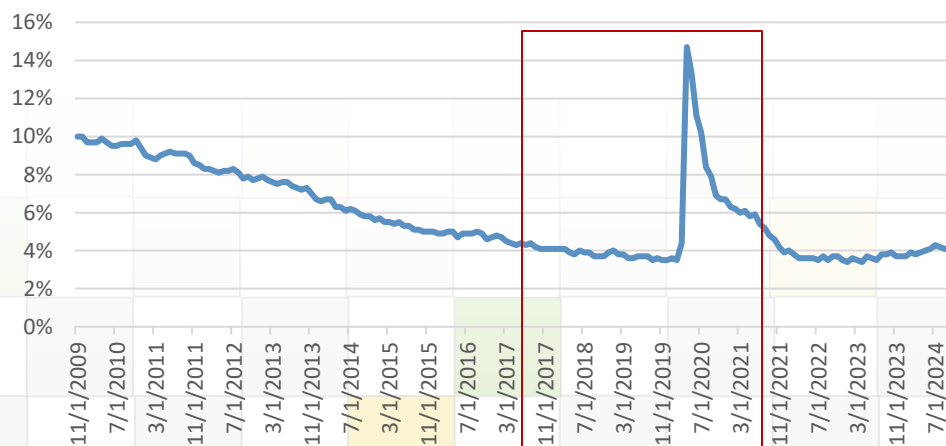
US CPI



Average monthly job creation



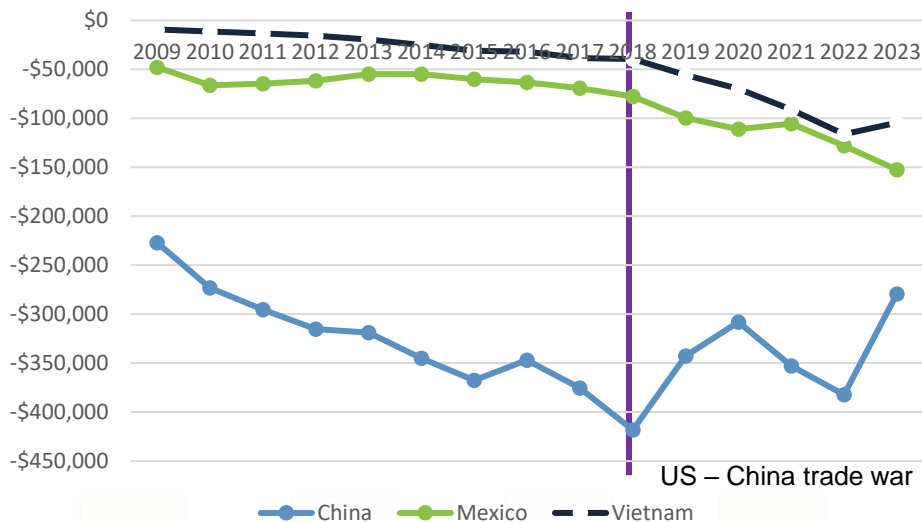
Unemployment rate



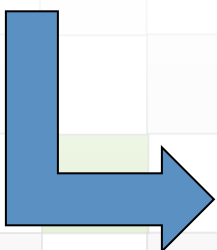
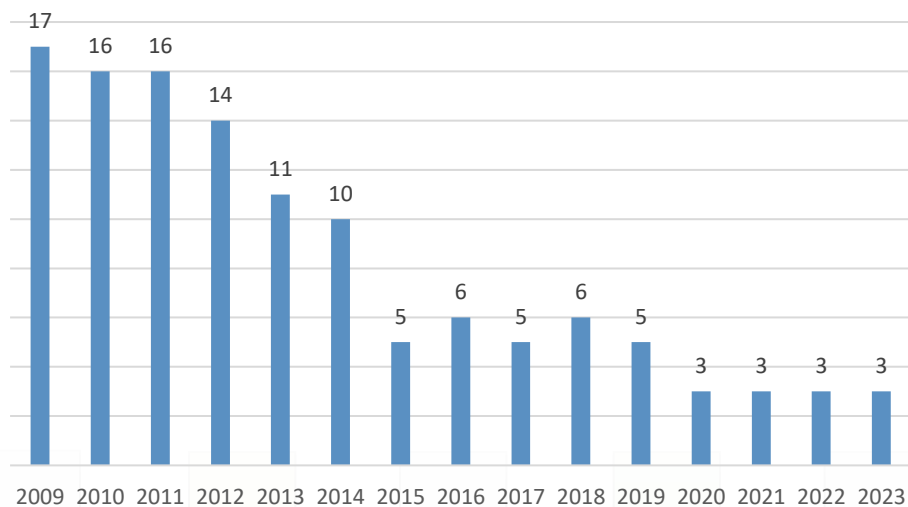
# US trade deficit with Vietnam is raising

- US Trade deficit with Vietnam reduce from 382 to 279 million USD in 2023
- However, in period 2020-2023, VN ranked No. 3 in trade deficit with US (only below China and Mexico)

US trade deficit with top 3 countries



Vietnam ranking among country having trade deficit with US



**High risk:** US can impose imported tax on Vietnamese goods and service under Trump administration



# US accounts for 30% Vietnam total export value

- Vietnam export value to US increased by 2.5 times in period 2016-2023, CARG is 14.1% per annum
- Vietnam got benefit from US-China trade war in 2018 as export value raised significantly in 2019

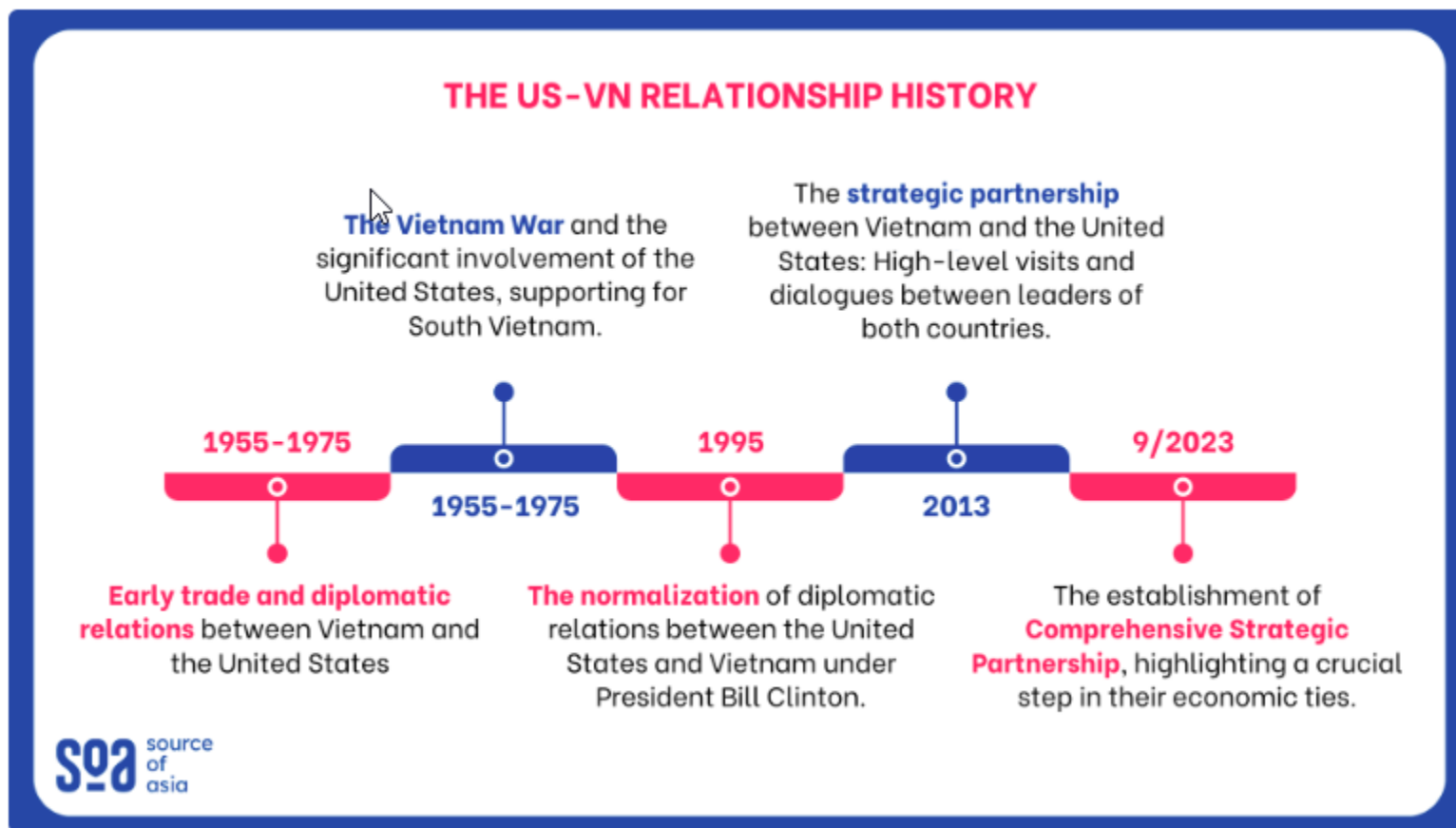
## Export value by country

	2016	2017	2018	2019	2020	2021	2022	2023	9M2024
US	38,450	41,592	47,530	61,347	77,077	96,270	109,389	97,020	88,161
China	21,960	35,404	41,366	41,414	48,905	55,926	57,703	61,208	44,388
Korea	11,406	14,819	18,241	19,720	19,107	21,948	24,293	23,499	18,880
Japan	14,671	16,859	18,834	20,413	19,284	20,130	24,233	23,315	18,007
Netherlands	6,012	7,105	7,085	6,881	6,999	7,685	10,430	10,242	9,455
Hong Kong	6,088	7,582	7,958	7,156	10,437	11,995	10,936	9,632	9,288
India	2,687	3,758	6,544	6,674	5,235	6,281	7,962	8,499	7,059
Thailand	3,691	4,808	5,487	5,272	4,917	6,155	7,476	7,192	5,868
Germany	5,961	6,363	6,873	6,555	6,644	7,288	8,968	7,400	5,827
England	4,898	5,422	5,779	5,758	4,955	5,766	6,066	6,345	5,665

Unit: Million USD  
Source: FiinX

# An Indispensable Upgrade: The U.S.-Vietnam Comprehensive Strategic Partnership

- We understand the risk that US can pose more imported tax on Vietnamese exported goods and service under Trump administration
- However, based on the new Comprehensive Strategic Partnership, upgraded in 2023, we hope that **this risk will not occur**





# FDI value from US to Vietnam is very small

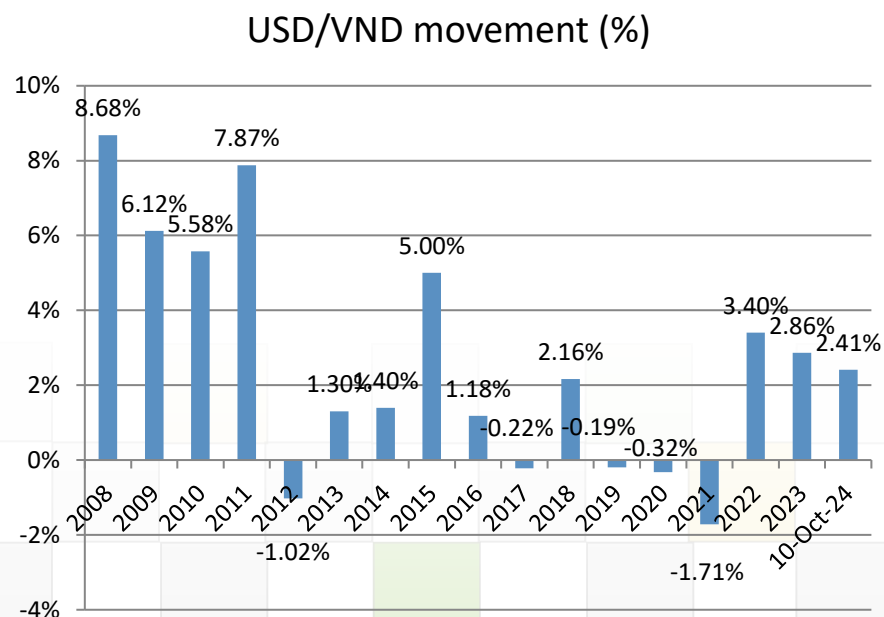
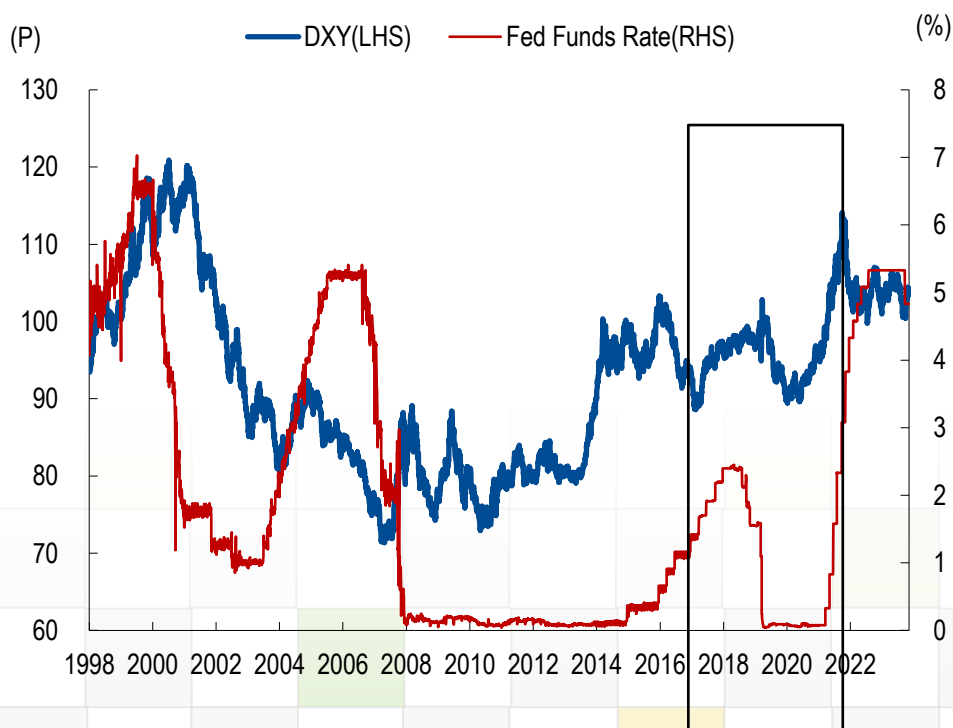
- In 10 months 2024, US registered to invest 224 million USD to Vietnam, ranked No. 12, and only account for 0.83% total FDI amount registered to Vietnam
- So, Vietnam – US economic relationship focuses mostly on import-export; but not cash flow

FDI value to Vietnam by country

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	10M2024
Singapore	4,377	2,800	1,231	2,419	5,308	5,071	4,502	8,994	10,712	6,455	6,804	7,794
China	2,304	427	735	1,875	2,168	2,465	4,063	2,459	2,922	2,518	4,471	3,614
Korea	4,294	7,328	6,727	7,036	8,494	7,212	7,917	3,949	4,953	4,879	4,401	3,555
Japan	5,748	2,050	1,842	2,590	9,112	8,599	4,138	2,368	3,897	4,781	6,566	3,013
Hong Kong	702	3,003	1,196	1,640	1,486	3,232	7,869	2,000	2,316	2,224	4,684	2,890
Taiwan	595	1,178	1,398	1,860	1,460	1,074	1,842	2,058	1,252	1,352	2,884	1,472
Cayman Island	359	88	258	645	398	243	508	388	431	223	225	1,215
Turkey		2	660	5	6	2	5	2	86	1	184	763
Samoa	23	260	1,395	528	467	336	887	242	278	306	935	641
Virgin Island	307	524	1,219	858	1,651	1,866	1,372	903	570	607	226	463
England	188	25	1,271	220	239	234	303	249	303	135	72	226
US	125	260	228	400	869	550	460	360	739	748	626	224
Seychelles	5	35	289	284	165	207	267	259	153	114	255	176
Netherlands	394	196	334	87	1,036	387	828	897	1,122	702	806	165
Thailand	406	206	262	706	713	762	868	1,785	350	199	880	141

# Dollar index is rather stable in Trump's 1<sup>st</sup> term

- In Trump's 1<sup>st</sup> term, DXY ranged from 89-102, which was average of 95
- If US economy is better under new Trump's term, DXY can increase. However, it should be noted that, VND is allowed to depreciated by around 3-4% per annum, and there are still some management from SBV
- And, VND is very stable in period 2017-2022 of Trump's 1<sup>st</sup> term





# Summary on Trump on Vietnam economy and stock market

## Positive

- Stock market tends to perform very well after the US Election
- US economy is forecasted to be better, creating more opportunities for Vietnam exported goods and service
- Oil price can reduce, reducing pressure on inflation
- Ukraine and Russia war is hoped to end based on Ukraine's concessions
- However, middle east war remains as Trump has tough policy towards Iran
- Vietnam got benefit from US-China trade war in 2018, especially export firms

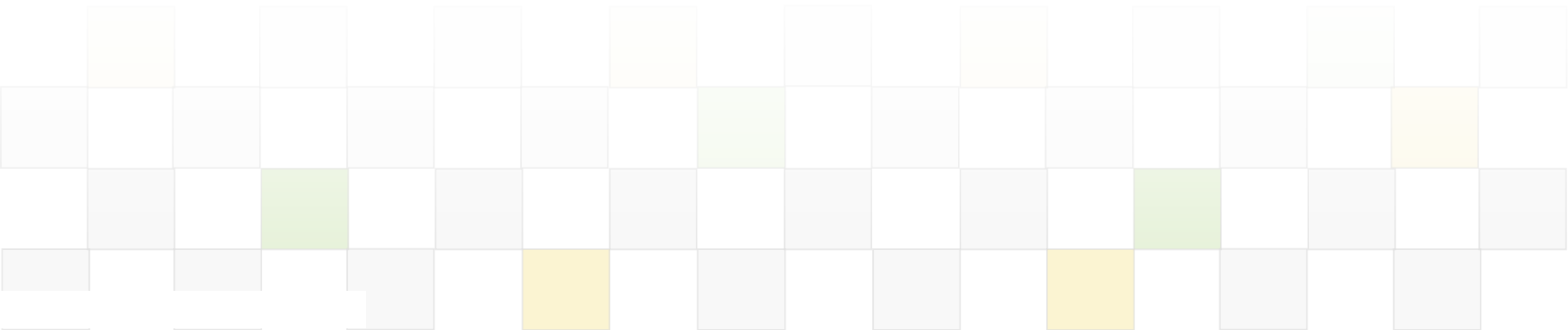
## Risk

- Biggest risk is that **US can pose more tax on Vietnam goods** because the trade deficit between US-VN is very high. However, Vietnam and US have upgraded to comprehensive strategic partnership in 2023, so we hope that this risk will not occur.
- DXY index can increase thanks to better US economy, but USD/VND is allowed to increase by 3-4% per annum and there are some management from SBV, so it is not concern in long-term.



# Sector recommendation from US Election opportunities

Sector	Investment catalysts	Recommendation	Stocks
Textile	Sectors related to export to US will get benefit, US – Vietnam relationship is reflected more in import-export activities, rather than cash flow	OUTPERFORM	TCM TNG
Seafood		OUTPERFORM	VHC ANV
Seaport		OUTPERFORM	GMD VSC
Transportation		OUTPERFORM	HAH PVT



# NHSV's current recommendation

Sector	Investment catalysts	Recommendation	Stocks
Banking	<ul style="list-style-type: none"> <li>- Positive credit growth: increased by 6.25% to August 16, and planned to increase by 14-15% in 2024</li> <li>- Some banks approved to increase capital (VCB BID CTG)</li> </ul>	OUTPERFORM	BID CTG TCB MBB ACB TPB VPB
Securities	<ul style="list-style-type: none"> <li>- Stock market increases (proprietary trading segment)</li> <li>- Transaction value increases (brokerage segment)</li> <li>- Margin balance increases (margin segment)</li> </ul>	OUTPERFORM	SSI HCM VCI FTS CTS BVS MBS
Transportation Seaport Textile Seafood	<ul style="list-style-type: none"> <li>- World economy recovers</li> <li>- Vietnam's import and export are increasing strongly by 14.9% in 6 months of 2024</li> </ul>	OUTPERFORM	HAH PVT GMD TCM TNG VHC ANV
Industrial park real estate	<ul style="list-style-type: none"> <li>- FDI is still growing well</li> <li>- Real estate prices are still on an upward trend in both HCM and HN</li> </ul>	OUTPERFORM	SZC PHR GVR
Retail and consumption	<ul style="list-style-type: none"> <li>- Consumer demand in Vietnam remains on an upward trend in the long term</li> <li>- Some companies with low profits in 2023 will create high growth momentum in 2024</li> </ul>	OUTPERFORM	MSN MWG VNM
Oil & gas	Many oil and gas projects are being implemented after many years of suspension	OUTPERFORM	PVS PVD GAS BSR
Steel	Global steel prices rebound strongly after China stimulates economy Vietnam real estate market recovery helps output increase	OUTPERFORM	HPG HSG NKG
Real estate	<ul style="list-style-type: none"> <li>- Many real estate businesses still face many financial difficulties</li> <li>- Many projects still face many legal problems and cannot open for sale</li> </ul>	NEUTRAL	NLG KDH



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