

# MONTHLY NEWSLETTER

July 2025

Indochina Capital is one of Vietnam's leading investment firms. Founded in 1999, ICC has two divisions:

Asset management: Exclusive focuses on listed Vietnam equities  
Real estate: Property development, investment, and advisory

## Indochina Equity Model Portfolio

Portfolio Manager: Diep Nguyen (14 years managing the strategy)  
Number of Investments: 17  
Median Portfolio Market Cap: \$2.56 bn

## Strategy

The firm's long-term active fundamental investment philosophy is supported by bottom-up company analysis complemented by a top-down overlay. The success of ICC's high conviction and disciplined strategy hinges upon close and consistent engagement with its portfolio companies.

	2025f	2026f
EPS Growth	33.78%	26.63%
P/E Ratio	13.15	10.06

## Performance

	1 Month	YTD	3 Year (CAGR)	5 Year (CAGR)	10 Year (CAGR)
<b>Indochina Capital</b>	<b>6.82%</b>	<b>6.13%</b>	<b>5.34%</b>	<b>16.35%</b>	<b>12.47%</b>
VN Index	8.76%	15.13%	3.54%	10.72%	7.21%
MSCI FM	6.36%	24.61%	8.45%	6.93%	1.72%
MSCI EM	1.67%	15.60%	7.75%	2.88%	3.26%
S&P 500	2.17%	7.78%	15.35%	14.15%	11.66%

## Manager's Comment

- **The VN-Index** surged to an all-time high of 1,567 before closing the month of July at 1,503 on the back of a liquidity influx. Market optimism was boosted by strong Q2 corporate earnings, a plethora of pro-growth domestic policies, and positive developments on trade negotiations with the US.
- **Our portfolios recorded an average gain of 6.82% in July.** We lowered cash holdings from 8% in June to 2%, while expanding the number of positions from 15 to 17. Notable outperformers included VPB (with impressive credit growth, an attractive valuation relative to its high growth potential, and a recovering consumer finance arm) and DXG (flagship project launch in August and a real estate market rebounding on low mortgage rates).
- US tariff of 20% on Vietnamese goods puts Vietnam at a similar level to its ASEAN peers. While the details are still unclear and the tariff consequences pose a challenge to global demand, **Vietnam's**

**position as a crucial link in the global supply chain remains virtually the same.** Indeed, the tariff gap between Vietnam and China has widened from circa. 20% under Trump's first term to circa 35%.

- At the same time, **regulatory reforms and expansionary policies** have been a great boost to Vietnam's economy. Listed companies reported strong YoY earnings growth of 23% in Q2 (+25% in 1H) and are expected to maintain resilient growth in the remainder of the year.
- The number of **securities trading accounts increased by 14% in 7M** to 10.5 million, indicating a population participation ratio of 10.5% as local investors found a renewed interest in the Vietnam's stock market.
- As the country's relaxed fiscal and monetary policies continue, boosting system liquidity and supporting inflows to the stock market, VN Index is well positioned for a good run.

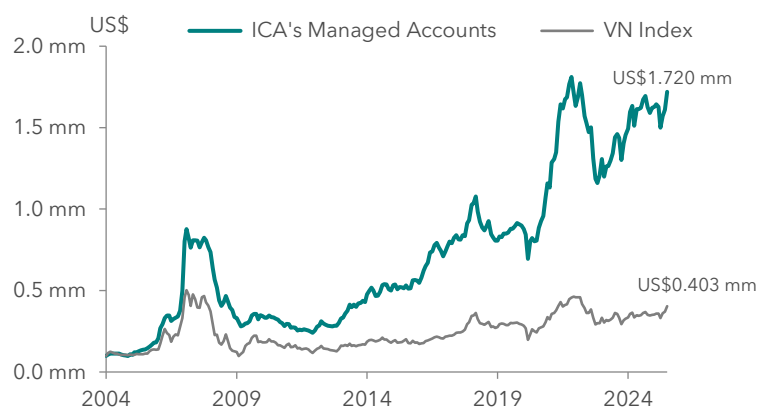
## Top 10 Holdings (77% of NAV)

Ticker	Sector	NAV%	VN Index%	% Change	Sector	Weight	VN Index Weight
BAF	Cons. Staples	15.64%	0.16%	-1.99%	Banks	40.47%	37.33%
MBB	Banks	9.58%	2.58%	6.40%	Materials	14.90%	7.33%
TCB	Banks	8.40%	3.70%	-0.58%	Industrials	0.00%	9.56%
VPB	Banks	8.05%	3.16%	7.98%	Info. Technology	0.00%	3.05%
CTG	Banks	7.34%	3.80%	17.16%	Cons. Discretionary	4.84%	5.40%
ACB	Banks	7.11%	1.82%	39.46%	Energy	0.00%	2.07%
DXG	Real Estate	6.22%	0.31%	9.90%	Real Estate	11.21%	18.26%
DHC	Materials	5.30%	0.05%	12.43%	Cons. Staples	17.41%	6.64%
NVL	Real Estate	4.99%	0.50%	-0.31%	Others	9.13%	10.36%
MWG	Cons. Discretionary	4.84%	1.49%	9.55%	Cash	2.04%	0.00%

## Information

Structure	SMA
Strategy Inception	January 2004
NAV Frequency	Monthly
Fees	1.5% + 15% HWM
Administrator	Indochina Capital Advisor
Custodian	Deutsche Bank AG

## Performance Since Inception vs VN Index



\* Calculated based on US\$100,000 invested with ICA since inception (2004) versus invested in the VN Index

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If you would like to arrange a call with the Portfolio Team, please contact [Diep Nguyen.](#)

## Appendix

### Macro

Vietnam's economy continued to build momentum in July as factories regained traction, public investments accelerated, and consumer confidence built up. The dual engine of manufacturing and domestic demand powered ahead as fresh FDI commitments reaffirmed investor trust and expansionary policies continued. Inflationary pressures softened despite a rising USD and external uncertainties.

- In **July, the Index of Industrial Production (IIP) rose 0.52% MoM** and **8.54% YoY**, picking up slightly from 8.0% in June. 7M IIP increased 8.64% YoY (7M 2024: 8.47%).
  - Most major sectors recorded solid 7M growth, including manufacturing (+10.33% YoY), power generation and distribution (+4.57% YoY), and water supply and waste treatment (+10.42% YoY). In contrast, the mining sector contracted by 2.67% YoY.
- Vietnam's **Manufacturing PMI rose to 52.4 in July** from 48.9 in June, signaling a return to expansion.
  - Total new orders grew at the fastest pace since November 202 despite weakness in export demand which fell for the ninth straight month due to US tariffs.
  - Output increased for the third month in a row and at the fastest pace in 11 months, supported by higher new orders. Firms ramped up input purchase, marking the sharpest increase since August 2023.
- **Vietnam** recorded a YTD **trade surplus of US\$10.18 billion** (7M 2024: US\$14.08 billion).
  - July trades improved vs June's declines. Exports rose 7.0% MoM and 16.0% YoY, while imports increased 9.1% MoM and 17.8% YoY.
  - Export growth was driven by computers and electronics (+52.5% YoY), boosted by front-loaded orders amid U.S. tariff concerns. Machinery (+10.6%) and fruits & vegetables (+38.6%) also contributed.
  - For 7M 2025, exports and imports grew 14.8% and 17.9% YoY, respectively.
- **7M registered FDI** rose to **US\$24.09 billion (+27.3% YoY)** while **disbursed FDI** reached **US\$13.60 billion (+8.4% YoY)**.
  - Manufacturing led with US\$13.72 billion, accounting for 56.96% of newly registered FDI. Real estate accounted for 20.55%, and the remaining sectors 22.49%.
- **Revenue of retail sales and services** in July grew by **1.06% MoM** and **9.16% YoY**. **7M revenue** increased by **9.26% YoY**.
  - July's retail sales of goods accelerated to 7.71% YoY (from 6.74% in June), reflecting resilient domestic demand.
  - Accommodation and food services grew 16.29% YoY (vs. June's +14.07%) and tourism revenue increased 12.59% YoY (vs. June's +23.94%). Growth was supported by a sharp rise in international arrivals which reached 1.56 million (+35.71% YoY), led by travelers from China (+56.9%), Laos (+60.4%), and Cambodia (+44.2%).

- **July CPI rose slightly by 0.11% MoM**, but **YoY inflation moderated to 3.19%**, down from 3.57% in June.
  - Food & foodstuff prices increased by 3% YoY. Power prices rose by 9% YoY as a function of rising consumption in the heat season and of retail price hikes in May 2025 and October 2024. At the same time, healthcare costs rose 13% YoY following the relaxation of healthcare subsidies.
  - Lower gasoline prices (-13% YoY) resulted in lower transportation costs (-4% YoY), partially offsetting inflationary pressures.
- **The USD/VND exchange rate** rose to **26,322 (+0.40% MoM and +3.02% YTD)** as the US dollar strengthened (DXY: +3.19% MoM, -7.85% YTD).
- **7M credit growth rose to 9.64% YTD** (7M 2024: +5.66%).
  - The SBV raised 2025 credit growth quotas for banks in alignment with the government's pro-growth agenda. Lending was supported by controlled inflation, low interest rates, and stronger capital demand.
- **State's investments surged 30% YoY in July**, mostly on infrastructure spendings. Public investments accelerated with 7M disbursement reaching US\$14.2 billion, up 25.4% YoY (7M 2024: +2.4% YoY).

## Stock Market

- The VN Index closed the month of July at 1,567, registering **a monthly gain of 8.76%** and **a YTD gain of 15.13%** in **USD terms**.
  - The market rally was broad-based, led by the real estate sector (+12.7% MoM) and the banking sector (+10.1% MoM). Other sectors also advanced, including consumer and retail (+3.2%), information & communication technology (+1.2%), and oil & gas (+0.2%).
- Liquidity **rocketed by 75% MoM** in July to all time high levels with the combined **average daily trading value** on the Ho Chi Minh and Hanoi Stock Exchanges amounting to **US\$1.35 billion**.
- **Vietnam's listed market capitalization** was **US\$259.9 billion** as of the month's end.