

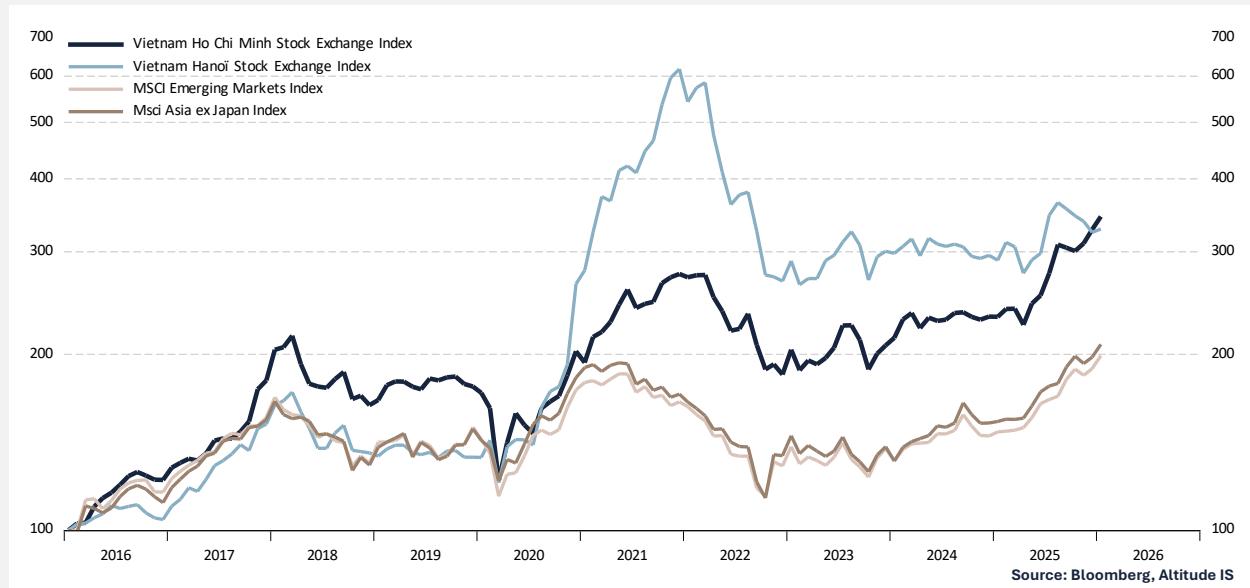
weekly investment focus

The flexiweekly that reaches new heights - published on 26 January 2026

" VIETNAM, AN AMBITION BEYOND BORDERS"

- The country of the dragon has established itself as a key producer
- It has successfully climbed the ladder of technological complexity
- It is transitioning from a frontier market to an emerging market
- Large caps will benefit from an influx of foreign capital

CHART OF THE WEEK: "Vietnam's performance is improving thanks to large caps"



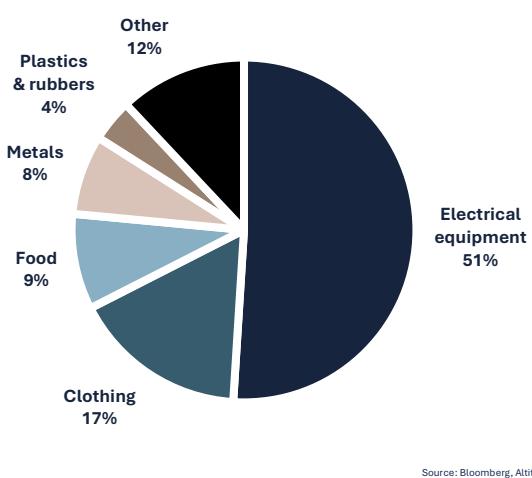
FINANCIAL MARKETS ANALYSIS

As investors scrutinise geopolitical tensions around the world and analyse upcoming trade realignments, there is one discreet country that continues to fare extremely well. **Vietnam is no longer content to be an alternative to China; it is establishing itself as a key producer in Southeast Asia** (see Fig. 2). Just a few years ago, the country was seen as the world's next factory, following in the footsteps of its giant neighbour. Today, its image as a champion of low-end textile production and assembly has become obsolete. Vietnam has managed to establish itself in high value-added sectors, including in semiconductors (see Fig. 3). **This profound transformation will eventually see it move from frontier market status to emerging market status, attracting significant capital flows.**

Fig. 2 – Exports from Vietnam and China



Fig. 3 – Vietnam's exports, by type of goods

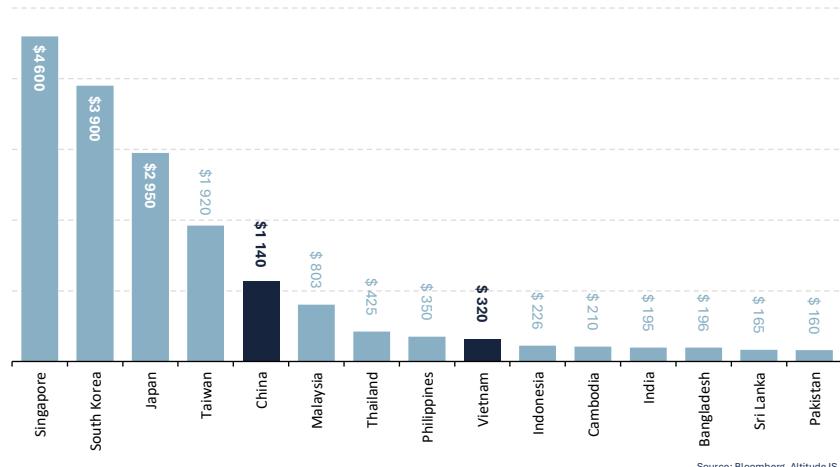


The most striking image of recent months will undoubtedly remain that of Jensen Huang, the charismatic CEO of Nvidia, strolling through the streets of Hanoi sampling local specialities before signing strategic agreements (see Fig. 4). This was not just a publicity stunt, as the American tech giant increased the capital of its Vietnamese subsidiary elevenfold in 2025, turning it into a leading research and development centre. The country is currently training 50,000 specialist engineers to meet demand from giants such as Nvidia, Intel, Samsung and Foxconn. **The ambition is clear: to transform the country into a global hub for artificial intelligence (AI) and semiconductors.** With a revenue target of \$25 billion for this sector alone by 2030, the Vietnamese government is sparing no expense. It currently has nearly 6 million skilled technicians, a major advantage over its regional neighbours. This shift towards technology has been made possible by a workforce that is rapidly moving upmarket while remaining competitive (see Fig. 5).

Fig. 4 – Jensen Huang in Hanoi



Fig. 5 – Labour costs in Asia



The average monthly wage in Vietnam's manufacturing sector is around \$320, depending on the region, while it is nearly four times higher, at \$1,140, in China's industrial provinces. **The country has been able to capitalise on its young, dynamic and relatively well-educated population.** This ambitious workforce is adapting with extraordinary agility to new digital tools. With an average age of only 32, Vietnam will

continue to benefit from its demographic dividend for a long time to come. Unlike other emerging economies that have remained trapped in commodity rents, Vietnam has been able to climb the ladder of technological complexity. Today, a substantial proportion of the components in most smartphones and computers have been assembled or tested in the industrial zones of Bac Ninh or Thai Nguyen. **It is this deep integration into the puzzle of globalisation that protects the country from external shocks.**

Vietnam has also successfully positioned itself to respond to the "China+1" concept, which is so dear to multinationals. This strategy consists of no longer relying exclusively on Chinese production facilities, but diversifying production locations. Companies are not leaving China, as its production capacity remains enormous, but they are opening new facilities elsewhere. This allows them to reduce risks related to customs tensions, rising labour costs and logistical disruptions, for example. For these international companies, Vietnam offers immediate geographical proximity to Chinese supply networks, while providing a stable political environment and advantageous free trade agreements. This safety valve has become important, even indispensable, **in ensuring continuity of value chains for multinationals.**

Powering next-generation factories and data centres dedicated to artificial intelligence requires a lot of energy. Vietnam experienced difficulties in this regard during the summer of 2024. Power cuts eventually forced Apple suppliers, such as Foxconn, to reduce their consumption. These incidents could have dampened investor enthusiasm, but they served as a catalyst for a reform that had been awaited for years. In July 2024, the government authorised direct electricity contracts. Large companies can now purchase their electricity from renewable energy producers, bypassing the state monopoly. For firms such as Samsung and Apple, whose decarbonisation targets are paramount, this signal was seen as the one they had been waiting for to establish their state-of-the-art factories in Vietnam on a long-term basis.

Fig. 6 – Economic growth rate

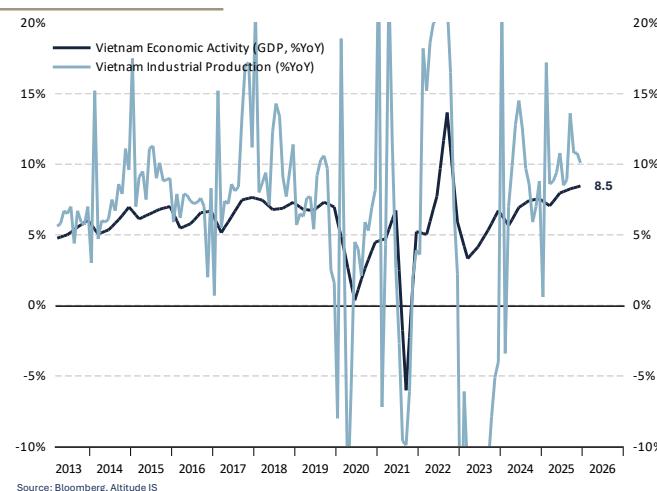
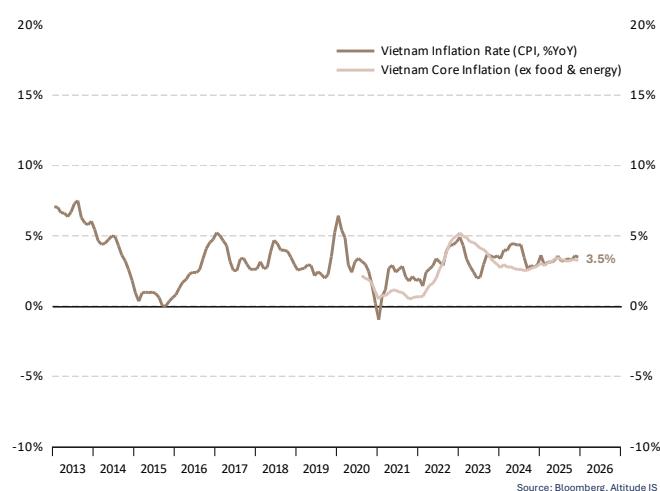


Fig. 7 – Inflation rate

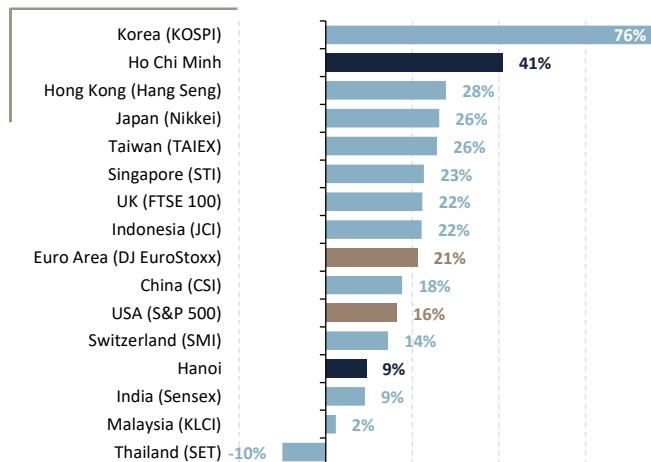


At the same time, the country is investing heavily in infrastructure. It is not resting on its laurels and continues to modernise its deep-water ports, international airports and motorway network to streamline its exports. It is this comprehensive industrial fabric, integrating logistics and production, that sets Vietnam apart from other low-cost countries. For international companies, not only is it easy to manufacture there, but shipments to the rest of the world are also very efficient.

On the monetary front, the central bank has shown great skill in keeping inflation under control. It is often below 4%, which is an impressive performance for such a rapidly growing economy (see Figs. 6 & 7). **This macroeconomic stability reassures foreign investors.**

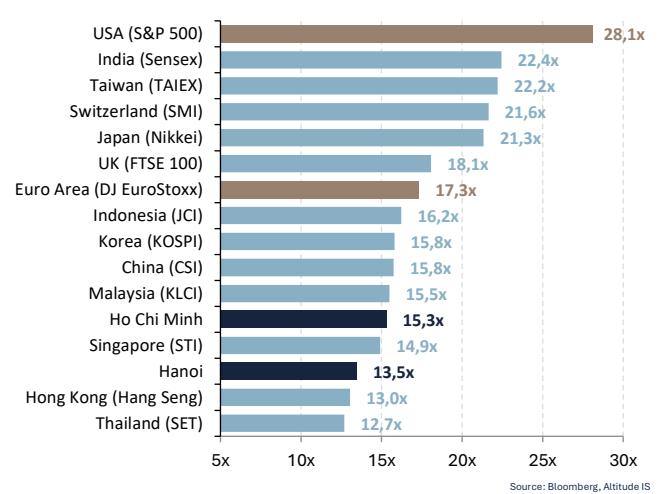
The Vietnamese stock market is reaching an important milestone. Long confined to the status of a frontier market, it **has officially been given the green light** by FTSE Russell **to be promoted to the rank of secondary emerging market**. This reclassification, which will take effect in September 2026, is not merely an honorary title, as it will encourage an influx of capital. This capital will fuel the surge in stock market indices. Last year, shares listed on the Ho Chi Minh City Stock Exchange posted an impressive 41% return, significantly outperforming the indices of its regional neighbours, with the exception of technology-heavy South Korea (see Fig. 8).

Fig. 8 – Share performance in 2025



Source: Bloomberg, Altitude IS

Fig. 9 – Share valuations in 2026



Source: Bloomberg, Altitude IS

Investors should note, however, that the Vietnamese market has been marked by strong outperformance by large caps and the tech sector (see Chart of the Week). This concentration of capital on the country's flagship companies explains the spectacular rise of the FTSE Vietnam 30 Index (+79%). Conversely, the Hanoi index, which is composed of smaller, local companies, lagged significantly behind, with a performance of only +9%. This divergence highlights the disconnect between a globalised stock market elite and the rest of the domestic economy. This stock market fervour has been accompanied by increased institutionalisation. **Vietnam has understood that attracting large global pension funds requires better governance and greater transparency.** Recent reforms aim to simplify foreign access to listed companies. This is a crucial step, as it removes barriers to investment and reduces the market's historical volatility.

Conclusion:

Given the solid economic fundamentals and very low valuation levels (see Fig. 9), everything seems to indicate that the lights are green for a new phase of outperformance for Vietnam in 2026. On the way to the post-frontier!



RETURN ON FINANCIAL ASSETS

Markets Performances (local currencies)	Last Price	Momentum Indicator (RSI)	1-Week (%)	1-Month (%)	2026 Year-to-Date (%)	2025 (%)	2024 (%)
Equities							
World (MSCI)	1 038.3	67.06	0.4%	3.6%	2.4%	22.9%	18.0%
USA (S&P 500)	6 940	56.63	-0.4%	2.1%	1.4%	17.9%	25.0%
USA (Dow Jones)	49 359	60.16	-0.3%	2.6%	2.7%	14.9%	15.0%
USA (Nasdaq)	23 515	52.59	-0.7%	1.8%	1.2%	21.2%	29.6%
Euro Area (DJ EuroStoxx)	635.0	77.09	0.5%	5.4%	3.8%	21.2%	10.2%
UK (FTSE 100)	10 235	75.27	1.1%	5.8%	3.1%	25.7%	9.6%
Switzerland (SMI)	13 414	69.41	-0.1%	2.7%	n.a.	18.0%	7.5%
Japan (Nikkei)	53 553	66.33	3.8%	9.3%	n.a.	28.6%	21.3%
Emerging (MSCI)	1 485	77.01	2.3%	9.9%	5.8%	34.3%	8.0%
Brasil (IBOVESPA)	164 800	62.04	0.9%	3.9%	2.3%	34.0%	-10.4%
Mexico (IPC)	67 141	64.49	1.7%	6.3%	4.5%	35.1%	-11.0%
India (SENSEX)	83 088	38.54	0.1%	-1.2%	-1.9%	10.5%	9.6%
China (CSI)	4 730	56.93	-0.5%	5.4%	n.a.	21.0%	18.2%
Com. Services (MSCI World)	164.7	49.37	-1.1%	1.7%	0.4%	33.0%	31.9%
Cons. Discretionary (MSCI World)	466.2	53.42	-1.4%	1.2%	1.9%	9.8%	20.7%
Cons. Staples (MSCI World)	298.6	65.73	2.4%	2.3%	3.0%	9.3%	4.7%
Energy (MSCI World)	276.5	65.11	2.9%	8.0%	4.6%	14.8%	2.9%
Financials (MSCI World)	228.1	58.01	-0.4%	2.4%	0.9%	29.5%	25.1%
Health Care (MSCI World)	400.0	53.03	-0.9%	2.3%	1.4%	15.3%	1.5%
Industrials (MSCI World)	501.0	80.20	2.6%	7.8%	7.3%	26.1%	12.8%
Info. Tech. (MSCI World)	980.0	54.90	0.2%	3.6%	1.4%	26.6%	31.9%
Materials (MSCI World)	424.3	75.21	2.5%	10.1%	7.3%	32.5%	-7.6%
Real Estate (MSCI World)	1 027	76.50	3.2%	4.6%	4.3%	3.6%	-0.4%
Utilities (MSCI World)	197.9	63.02	1.4%	2.8%	2.3%	24.7%	13.0%
Bonds (Bloomberg)							
World (Aggregate)	3.54%	45.49	-0.2%	-0.2%	-0.3%	8.2%	-1.7%
USA (Sovereign)	3.99%	46.43	-0.2%	0.0%	-0.2%	6.3%	0.6%
Euro Area (Sovereign)	2.91%	57.88	0.2%	0.6%	0.5%	0.6%	1.9%
Germany (Sovereign)	2.57%	55.37	0.2%	0.5%	0.4%	-1.6%	0.6%
UK (Sovereign)	4.40%	59.96	-0.2%	1.1%	0.6%	6.1%	-3.0%
Switzerland (Sovereign)	0.47%	56.12	0.3%	0.4%	0.4%	0.3%	5.4%
Japan (Sovereign)	1.91%	31.38	-0.5%	-1.2%	-0.5%	-4.6%	-2.1%
Emerging (Sovereign)	5.94%	58.01	0.2%	0.2%	0.0%	13.1%	7.0%
USA (IG Corp.)	4.86%	52.55	0.1%	0.4%	0.1%	7.8%	2.1%
Euro Area (IG Corp.)	3.20%	64.10	0.0%	0.7%	0.4%	3.0%	4.7%
Emerging (IG Corp.)	5.80%	78.26	0.2%	0.7%	0.5%	8.1%	7.0%
USA (HY Corp.)	6.57%	83.59	0.1%	0.9%	0.6%	8.6%	8.2%
Euro Area (HY Corp.)	5.39%	85.68	0.0%	0.7%	0.5%	5.2%	8.2%
Emerging (HY Corp.)	7.19%	72.15	0.2%	0.6%	0.3%	13.9%	14.9%
World (Convertibles)	565.2	72.68	1.5%	5.9%	4.9%	22.4%	9.4%
USA (Convertibles)	735.8	66.42	1.6%	5.4%	5.1%	16.9%	10.1%
Euro Area (Convertibles)	296.8	77.78	-0.1%	2.8%	2.1%	24.8%	14.7%
Switzerland (Convertibles)	285.4	65.67	0.5%	2.7%	0.9%	17.5%	-10.5%
Japan (Convertibles)	272.3	83.96	3.1%	6.8%	5.6%	13.8%	6.4%
Hedge Funds (Bloomberg)							
Hedge Funds Industry	1 806	90.51	n.a.	1.0%	n.a.	12.2%	11.1%
Macro	1 467	81.55	n.a.	1.1%	n.a.	9.3%	7.4%
Equity Long Only	2 460	81.26	n.a.	0.6%	n.a.	11.3%	12.0%
Equity Long/Short	1 966	90.62	n.a.	1.2%	n.a.	17.3%	14.0%
Event Driven	1 911	88.89	n.a.	0.8%	n.a.	10.7%	8.7%
Fundamental Equity Mkt Neutral	1 862	97.04	n.a.	1.0%	n.a.	12.8%	12.4%
Quantitative Equity Mkt Neutral	1 815	86.47	n.a.	0.9%	n.a.	9.1%	9.8%
Credit	1 720	98.82	n.a.	0.8%	n.a.	7.8%	8.5%
Credit Long/Short	1 725	100.00	n.a.	0.2%	n.a.	5.9%	10.0%
Commodity	1 957	81.53	n.a.	-1.1%	n.a.	9.4%	14.7%
Commodity Trading Advisors	1 431	69.16	n.a.	2.6%	n.a.	6.7%	7.9%
Volatility							
VIX	15.86	50.94	9.5%	-3.8%	6.1%	-13.8%	39.4%
VSTOXX	16.19	50.34	4.4%	5.3%	10.1%	-13.5%	25.3%
Commodities							
Commodities (CRB)	540.3	n.a.	-0.4%	0.2%	0.1%	0.6%	5.1%
Gold (Troy Ounce)	4 675	n.a.	1.7%	7.7%	8.2%	64.6%	27.2%
Silver (Troy Ounce)	93.44	n.a.	9.8%	39.1%	30.4%	148.0%	21.5%
Oil (WTI, Barrel)	59.44	n.a.	0.5%	7.5%	3.5%	-19.9%	0.1%
Oil (Brent, Barrel)	67.61	n.a.	3.5%	12.5%	8.3%	-15.7%	-4.6%
Currencies (vs USD)							
USD (Dollar Index)	99.13	56.36	0.3%	0.5%	0.8%	-9.4%	7.1%
EUR	1.1630	41.09	-0.3%	-0.7%	-1.0%	13.4%	-6.2%
JPY	157.89	42.95	0.2%	-0.1%	-0.7%	0.3%	-10.3%
GBP	1.3398	47.83	-0.5%	0.1%	-0.6%	7.7%	-1.7%
AUD	0.6697	55.28	-0.2%	1.3%	0.4%	7.8%	-9.2%
CAD	1.3892	41.62	-0.1%	-0.6%	-1.2%	4.8%	-7.9%
CHF	0.7989	47.55	-0.2%	-0.4%	-0.8%	14.5%	-7.3%
CNY	6.9630	80.14	0.1%	1.1%	0.4%	4.5%	-2.7%
MXN	17.627	76.97	1.7%	2.3%	2.2%	15.7%	-18.5%
EM (Emerging Index)	1 848.6	53.93	-0.1%	0.8%	-0.2%	7.2%	-0.7%
XBT	92 463	n.a.	-5.2%	5.3%	5.5%	-6.5%	120.5%

Source: Bloomberg, Altitude Investment Solutions

Total Return by asset class (Negative \ Positive Performance)



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