

# Vietnam IPO market roars back to form

**Benchmark index hits record high amid market status upgrade news, regulatory reforms**

BY YUKI LI

**V**ietnam's initial public offering (IPO) market is witnessing a strong resurgence in 2025, with listings from the securities and hospitality sectors highlighting the renewed momentum. Three of the ten largest IPOs in the Asean region were from Vietnam, with total proceeds exceeding US\$1.5 billion. Also, FTSE Russell is set to reclassify the country's status to a "secondary emerging market", bringing further positive signals for Vietnam to stand out in the regional landscape.

## **Mega deals drive market growth**

After a prolonged period of subdued activity, the country's IPO market received a much-needed boost from large-scale deals in the entertainment and financial sectors. The last golden era for Vietnam's IPOs was between 2017 and 2018, when a wave of privatizations among major state-owned enterprises (SOEs) drove a surge in both deal volume and value.

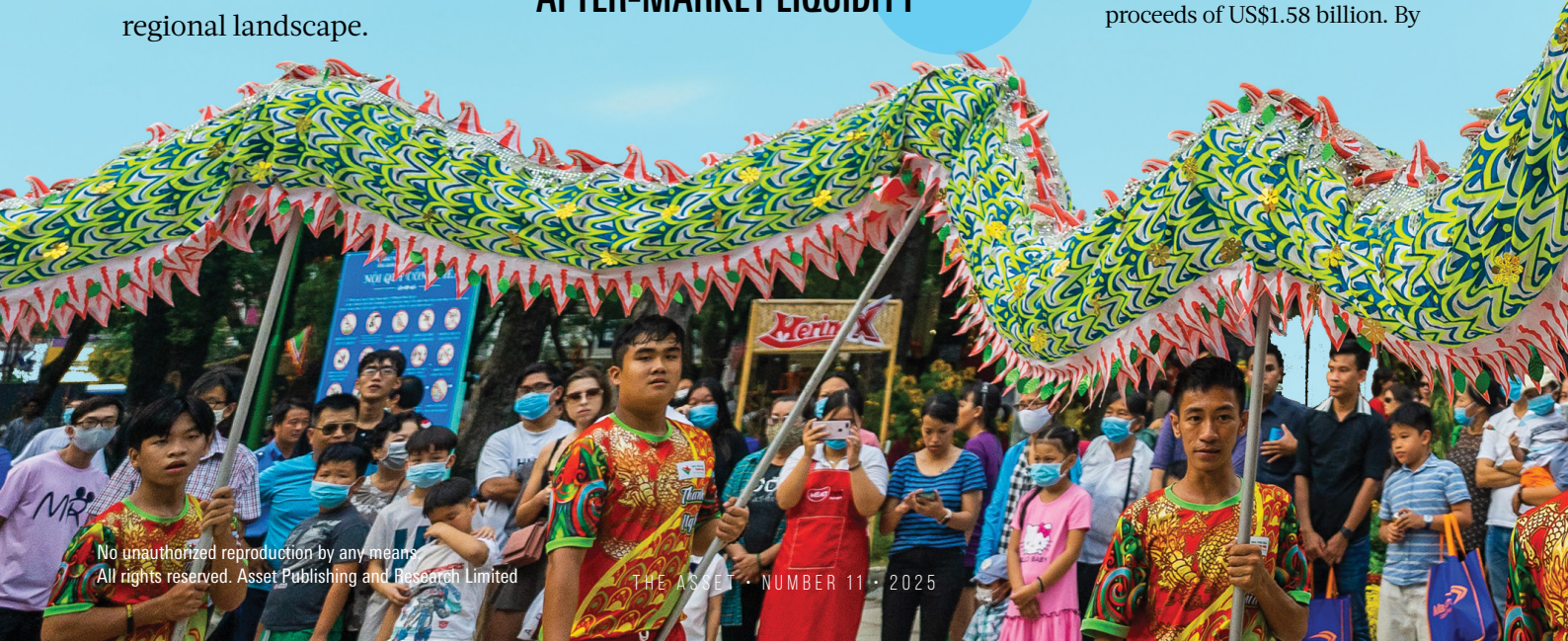
On April 29 2025, the Ho Chi Minh Stock Exchange officially approved the listing of Vinpearl JSC, the hospitality arm of billionaire Pham Nhat Vuong's

Vingroup, with more than 1.79 billion shares, equivalent to a charter capital of over US\$690 million based on par value. The IPO ranked as the second-largest deal in Asean during the first three quarters of 2025, trailing only Singapore's NTT DC REIT offering, which raised US\$824 million.

Vinpearl JSC shares surged on their debut, giving the company a market capitalization of 153.3 trillion dong (US\$5.9 billion) and making it one of the country's largest publicly traded companies. However, the stock has since declined amid lower net profits caused by a sharp drop in real estate transfer revenue, broader market pressures, and profit-taking following its strong debut.

According to the latest data from LSEG, as of November 5, three of the ten largest IPOs in Asean originated from the Ho Chi Minh Stock Exchange, with total proceeds of US\$1.58 billion. By

**THE HIGH-PERFORMING STOCK MARKET WILL LOWER ISSUERS' COST OF EQUITY AND IMPROVE AFTER-MARKET LIQUIDITY**





comparison, Vietnam saw only one IPO listing in 2024 – DNSE Securities JSC, which raised approximately US\$37 million.

#### Securities firms at the forefront

Securities companies have been a highlight of Vietnam's IPO market in 2025, coinciding with the country's efforts to secure an upgrade to emerging market status.

On October 7, FTSE Russell announced that Vietnam will be

THE WORLD BANK GROUP ESTIMATES THAT  
TOTAL FOREIGN INFLOWS INTO VIETNAM COULD  
REACH US\$5 BILLION TO US\$7 BILLION IN 2026

# US\$7 billion

reclassified from frontier market to secondary emerging market status, effective September 21 2026, pending an interim review in March 2026.

market regulators in modernizing the system – notably through the removal of the prefunding requirement for foreign institutional investors (FIIs) via a new non-prefunding (NPF) model, and the establishment of a formal mechanism for handling failed trades. These improvements reduce restrictions, enhance trading efficiency, and strengthen investor confidence – potentially attracting significant foreign capital inflows in the near future.

Following the announcement, Techcom Securities Company (TCBS), a subsidiary of Techcombank, raised US\$410 million in an IPO on October 21, followed by VPBank Securities JSC (VPBankS), a brokerage owned by Vietnam Prosperity Bank, which completed its US\$483 million IPO on November 3. VPBankS chief executive officer Vu Huu Dien noted the strong demand from institutional investors, who subscribed to shares worth US\$227.82 million.

#### Catalysts behind IPO resurgence

Aside from the FTSE Russell upgrade, a recent VNDirect report identified several key factors driving Vietnam's IPO resurgence. Macroeconomic growth has been underpinned by accommodative monetary policies, both domestic and international, which provide a favourable environment for capital market expansion. Regulatory reforms have also played a major role, enhancing pre-listing corporate governance standards, easing restrictions on foreign ownership and free-float ratios, and strengthening frameworks for SOE divestments.

Additionally, the government has accelerated IPO administrative procedures and improved post-





listing investor safeguards, fostering greater market transparency and efficiency. Supporting these policy shifts, the introduction of the advanced KRX trading system has significantly upgraded Vietnam's technical infrastructure, further boosting investor confidence and paving the way for sustained capital market development.

This IPO resurgence has also buoyed the secondary market. The VN Index (VNI) has gained more than 30% in 2025, reaching a record high of 1,747 points on October 5, before easing slightly to 1,654 points as of November 5.

"Vietnam's benchmark stock index, VN Index, made record highs in October 2025, creating a 'favourable window' for IPO aspirants. The high-performing stock market will lower issuers' cost of equity and improve after-market liquidity," says Du Vinh Tran, Vietnam, Laos, and Cambodia strategy and transactions leader at EY-Parthenon.

### Foreign investors remain cautious

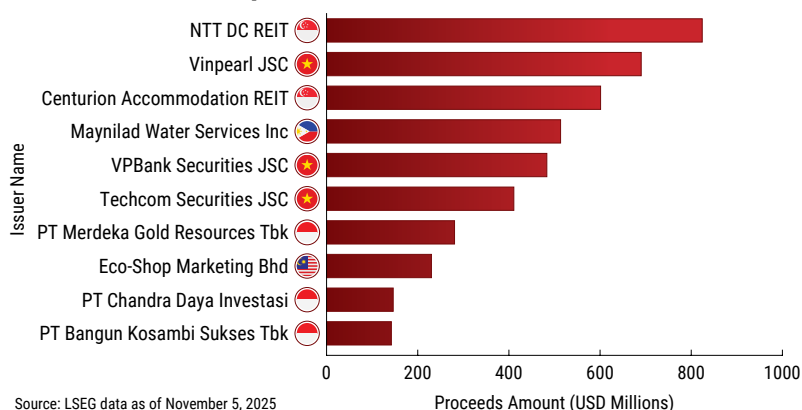
While the rebound in IPOs and equities has restored confidence in Vietnam's market, foreign investors remain cautious and continue to lock in profits.

"Regarding the appetite of foreign investors, despite the rallying and upgrade news, foreign investors were net sellers for most of Q3 2025. By late October, cumulative net-sell exceeded 100 trillion dong (approximately US\$4 billion), already worse than the total net outflows recorded in full-year 2024, with frequent net-sell sessions in late October," says Du.

"That reflects profit-taking after strong gains and macro hedging against currency and interest rate risks rather than disengagement. In fact, participation is selective. Foreign investors still show up for large, investable, transparent

## MARKET SENTIMENT IS EXPECTED TO IMPROVE AS GLOBAL TRADE TENSIONS EASE AND THE FED CONTINUES MOVING TOWARDS A LOWER INTEREST-RATE TRAJECTORY

### Top 10 IPOs in Asean for 2025



offerings with credible free float and clean related-party disclosures while remaining choosy on smaller or opaque names until index inclusion mechanics and foreign exchange stabilize."

Although the US Federal Reserve has started cutting its policy rate, the USD/VND exchange rate has remained elevated. Foreign transactions accounted for 11.3% of market activity in September, up from 10.2% in the previous month, according to VNDirect. Market sentiment is expected to improve as global trade tensions ease and the Fed continues moving towards a lower interest-rate trajectory.

"The 2025 IPO window is real – market strength, issuer readiness, and the FTSE upgrade are doing the work. But it's equally true that foreigners have been net sellers year-to-date; demand is there for large, clean, liquid stories," Du adds.

### Outlook

Vietnam remains an attractive destination for investors, with GDP projected to grow by 8% in 2025 to

about US\$510 billion and a target of 10% growth in 2026, driven by robust public investment and recovering exports. The World Bank Group estimates that total foreign inflows into Vietnam could reach US\$5-7 billion, potentially pushing the VN Index to between 1,800 and 2,200 points in 2026.

Du is sanguine: "Vietnam's IPO outlook is expected to be constructive in 2026, with fewer but larger investable IPOs amid stronger market turnover and FTSE reclassification moving towards implementation. Financials or brokerages, consumer platforms, and digital infrastructure appear to be the most promising candidates for public offerings. Follow-through IPO success in the financial sector in 2025 could anchor investor confidence and sizing if aftermarket trades well."

While the private sector continues to show strong interest in listing, Du notes that the pipeline from the SOEs is largely absent. He cites the slow equitization and land-use issues, as well as the fact that only a few foreign direct investment (FDI) enterprises have listed historically, while rules and precedents are still evolving. These factors limit the probability of "mega-cap" supply in 2026.

Looking ahead, there are several associated risks that investors should closely monitor. These include foreign exchange stability, the pace of market-plumbing reforms tied to index inclusion, and sustained and qualified delivery on governance and ESG disclosure, especially related-party transparency and the use of IPO proceeds.

"In general, if the window and reform cadence holds, Vietnam should remain a top-tier Southeast Asia venue by proceeds in 2026, with a concentrated but chunky calendar led by large domestics, while SOE/FDI supply stays minimal," says Du. ■