Journal of Applied Finance & Banking, Vol. 16, No. 3, 2026, 29-41
ISSN: 1792-6580 (print version), 1792-6599(online)
https://doi.org/10.47260/jafb/1632
Scientific Press International Limited

Global Behavioral Drivers and Domestic Feedback Dynamics to Foreign Trading Activity: An OLS–VAR Analysis of Vietnam's Stock Market

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Abstract

This study examines the determinants of foreign trading activity in Vietnam's stock market by integrating global and domestic financial factors. Using monthly data from 2009 to 2025, it analyzes how emerging assets such as Bitcoin, along with stock returns, exchange-rate changes, the VIX, and gold prices, influence foreign investor behavior. A two-model framework is used to distinguish external influences from internal market dynamics. Model 1 employs OLS to measure the impact of global risk sentiment and speculative trends, while Model 2 uses a VAR approach to capture feedback effects among foreign flows, market performance, and exchange-rate movements. The results show that Bitcoin returns and global volatility significantly increase foreign trading activity, whereas gold prices remain insignificant. Domestically, exchange-rate shifts and stock performance reinforce each other's effects on foreign capital flows, demonstrating that both global shocks and domestic conditions jointly shape Vietnam's foreign investment patterns.

JEL classification numbers: G12, F31, E44, C22.
Keywords: Bitcoin, Foreign trade, stocks, VIX, gold, Exchange rate, Finance investment.

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Article Info: *Received:* February 23, 2026. *Revised:* March 15, 2026.
Published online: March 19, 2026.

1. Introduction

Global financial integration has profoundly shaped the behavior of emerging capital markets, making them increasingly sensitive to both international sentiment and domestic fundamentals (Forbes & Warnock, 2012). For Vietnam, one of Asia's fastest-growing economies and a rising frontier market foreign investor participation has become a major driver of liquidity, market depth, and financial modernization (Vo, 2015). However, this growing openness also exposes the market to external vulnerabilities, such as global risk sentiment, speculative asset cycles, and exchange-rate volatility (2012; Obstfeld et al., 2018). Understanding the determinants of foreign trading activity, therefore, is vital for designing policies that stabilize capital flows while maintaining the country's growth momentum. Traditional studies have largely focused on macroeconomic indicators and market variables such as stock performance, interest rates, and exchange-rate changes (Hau & Rey, 2006; Choi et al., 2018). Yet, the last decade has seen the emergence of new behavioral and digital-financial drivers, particularly the rise of cryptocurrencies like Bitcoin and global volatility measures such as the VIX. These variables reflect global risk perception and speculative sentiment factors that now exert strong cross-border influences on portfolio decisions (Corbet et al., 2020; Dyhrberg, 2016; Liu & Tsyvinski, 2021). The inclusion of these non-traditional indicators enables a deeper understanding of how global financial psychology interacts with domestic market dynamics in shaping foreign investor behavior.

Despite Vietnam's growing importance in regional capital markets, there remains a significant research gap in understanding how global exogenous factors (e.g., Bitcoin, gold, VIX) and domestic endogenous dynamics (stock returns and exchange rates) jointly influence foreign trading flows. Most existing studies treat these determinants separately, overlooking their simultaneous and potentially bidirectional relationships. Moreover, there is limited empirical evidence on whether foreign investors in Vietnam are more responsive to global risk sentiment or to domestic market adjustments a question that has critical implications for financial stability, policy coordination, and investor strategy. To address these gaps, this study employs a two-model econometric framework. The first model examines the effect of exogenous global variables using Ordinary Least Squares (OLS), while the second adopts a vector auto-regression (VAR) approach to capture endogenous domestic feedback effects. By comparing these models, the study provides a comprehensive picture of how both external and internal forces shape Vietnam's foreign trading behavior.

Accordingly, the research is guided by the following questions: What are the key global and domestic factors influencing foreign trading flows in Vietnam's stock market? How do global financial variables such as Bitcoin returns, the VIX index, and gold prices affect foreign investor activity? To what extent do domestic factors such as stock-market returns and exchange-rate movements create feedback effects with foreign trading flows? Are Vietnam's foreign capital flows driven more by global shocks or by domestic market responses? By answering these questions, this

study contributes to the literature on emerging-market finance and sustainable economic development by linking global financial integration, investor behavior, and domestic resilience within a unified empirical framework.

2. Literature Review

Foreign portfolio investment (FPI) plays a key role in promoting liquidity, efficiency, and financial integration in emerging markets. Understanding the determinants of foreign trading volume helps explain how international investors respond to both domestic and global factors. In Vietnam, this topic has gained renewed relevance following the FTSE Russell market-status upgrade in 2025, which symbolized growing global confidence in the country's financial system. Despite this achievement, the persistent net capital outflows from foreign investors highlight the need to examine deeper structural and behavioral determinants influencing investment decisions. Macroeconomic stability remains the cornerstone of investor confidence in emerging markets. Foreign participation plays a central role in shaping liquidity and price efficiency in emerging markets but also increases exposure to global volatility. Studies such as Bekaert and Harvey (2017) and Forbes and Warnock (2012) emphasize that capital-flow cycles in developing economies are closely linked to international risk sentiment. In Vietnam, research by Vo (2015) shows that foreign trading activity significantly affects short-term stock movements and exchange-rate conditions, mirroring findings from broader Asian markets (Ahmed & Zlate, 2014; Obstfeld et al., 2018). These studies collectively suggest that the interaction between external shocks and domestic fundamentals is key to understanding capital-flow dynamics. However, they often treat these factors separately, leaving the simultaneous influence of global and domestic variables under-explored.

Recent literature highlights the growing influence of global behavioral indicators such as the volatility index (VIX), Bitcoin, and gold prices on cross-border investment decisions. The VIX captures worldwide risk aversion and uncertainty, often leading to "risk-off" reallocations away from emerging assets (Bloom, 2009). Bitcoin returns, on the other hand, have been identified as a new proxy for speculative risk appetite and global liquidity cycles (Corbet et al., 2020; Liu & Tsyvinski, 2021), while gold typically functions as a safe-haven asset with limited predictive power for equity flows (Baur & Lucey, 2010). Despite these insights, there remains little evidence on how these global sentiment variables jointly shape foreign trading flows in frontier markets such as Vietnam. Incorporating them alongside traditional market indicators can better capture how external psychological and structural forces influence investor behavior.

Beyond global risk factors, exchange-rate dynamics and domestic financial interactions also play crucial roles. Currency depreciation can attract inflows through valuation effects, while appreciation may trigger profit repatriation (Hau & Rey, 2006; Obstfeld et al., 2018). Moreover, stock returns and foreign flows are often bidirectionally related, producing short-run feedback loops that affect both

market stability and liquidity. To capture these dynamic interactions, researchers have increasingly employed vector auto-regression (VAR) models (Choi et al., 2018). This study advances the literature by combining an exogenous OLS model for global determinants with a VAR framework for domestic feedback effects. In doing so, it bridges a key research gap by comparing the relative strength of global shocks and local interactions in influencing Vietnam's foreign trading flows contributing to both financial-stability research and the broader discussion on sustainable market development (Khan & Lee, 2025).

3. Methodology

3.1 Research Design

This study employs a quantitative research design using time-series econometric analysis to examine the determinants of foreign trading volume in the Vietnamese stock market. The analysis focuses on both traditional market indicators and emerging asset factors to capture how macro-financial and behavioral variables jointly influence foreign investors' trading decisions. The study period spans January 2009 to March 2025, Refer to Figure 1 for a more detailed view of the pronounced fluctuations observed, encompassing pre- and post-COVID-19 dynamics, pre- US imposed the tariff in March 2025 on approximately 60 countries including Vietnam and the FTSE Russell market upgrade approval for VNI (Vietnam stock market). Daily data are used to ensure sufficient observations for robust regression analysis while minimizing high-frequency noise.

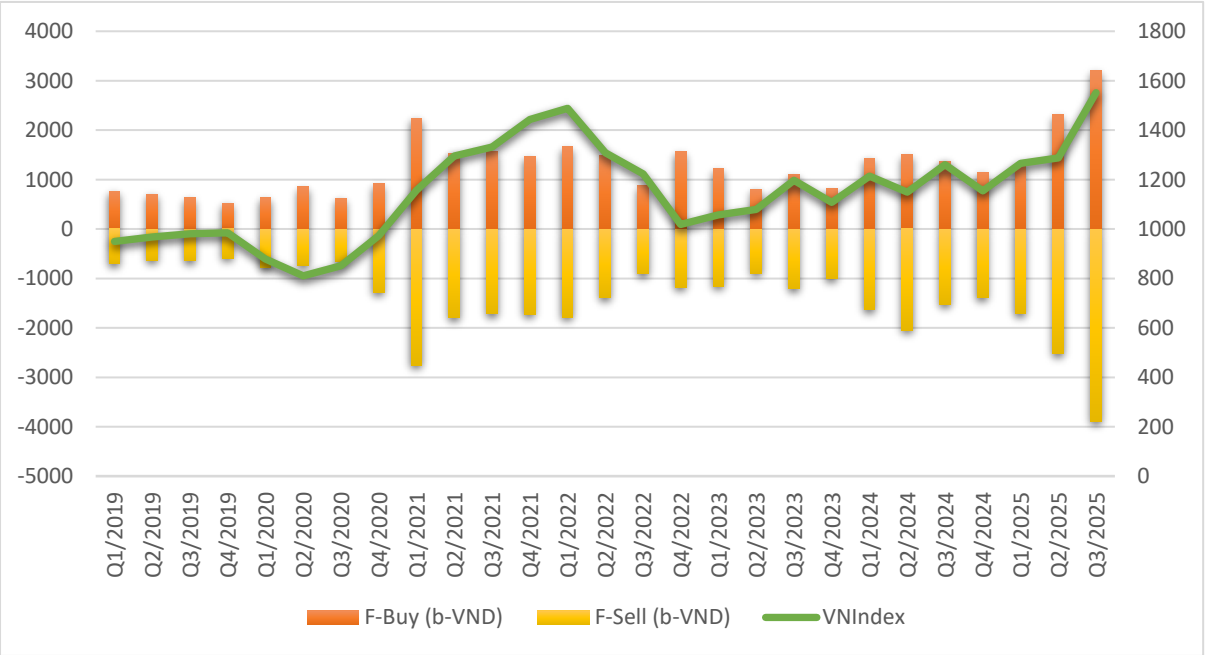

Figure 1: Quarterly Foreign Trade and VNIndex 2019-now

Table 1 presents the key variables used in the study, including the dependent variable, independent variables, and control variables. The dependent variable is the monthly percentage change in foreign trading volume (d_Ftrade) on the HOSE and HNX stock exchanges. This variable captures how foreign investors adjust their trading activity in response to movements in domestic (Endogenous) and global financial markets (Exogenous).

Table 1: Variable Description

Variable type	Variable	Definition	Group
Dependent Variable	Foreign Trading Volume (d_Ftrade)	Monthly percentage change in total foreign trading value (buy + sell) on HOSE and HNX exchanges	
Independent variable	Bitcoin Price (d_BTC)	Monthly percentage change in average Bitcoin price (USD)	Exogenous
	VN Index (d_VNIndex)	Monthly change in VNIndex, representing local stock-market sentiment	Endogenous
Control Variables	d_VIX	volatility index for the S&P 500 Index monthly change	Exogenous
	d_GOLD	Monthly change in international gold price (USD/oz)	Exogenous
	d_EXR	USD/VND exchange rate monthly change	Endogenous

3.2 Research Model

To analyze the effect of Bitcoin price movements, domestic stock-market performance, and macro-financial variables on foreign trading behavior, the following econometric model (1) is estimated:

$$d\_Ftrade_t = \beta_0 + \beta_1 \mathrm{d\_BTC}_t + \beta_2 \mathrm{d\_}vnindex_t + \sum_{k=1}^{n} \beta_3 d\_\mathrm{control}_t + \varepsilon_t \qquad (1)$$

In this study, the empirical model is designed to examine the relationship between foreign trading activity and key financial variables affecting Vietnam's stock market. Specifically, d_Ftrade_t represents the monthly percentage change in foreign trading volume on the Vietnamese stock market at time t, serving as the dependent variable. The main explanatory variables include $\mathrm{d\_}vnindex_t$, which captures the monthly change in the VN-Index as a measure of domestic market performance, and $\mathrm{d\_BTC}_t$, representing the monthly percentage change in Bitcoin prices, which reflects global investor sentiment and speculative behavior. Additional control variables (d_control_t) such as the VIX index, gold price changes, and exchange-rate movements are incorporated to account for global risk factors and macro-financial influences.

To distinguish between external influences and domestic feedback effects on foreign trading flows, it is essential to divide into two models. Model 1 – equation (2) focuses on exogenous global variables such as Bitcoin returns, the VIX index, and gold prices, which represent international risk and sentiment factors beyond Vietnam's control. This model tests how global financial shocks affect foreign investors' trading behavior using simple OLS estimation, assuming no feedback from domestic markets. In contrast, model 2 – equation (3) – (5) are an endogenous model estimated through a vector auto-regression (VAR) framework, where respectively foreign flows, stock returns, and exchange-rate changes are jointly determined. The VAR model captures the short-run feedback and dynamic interactions among these variables without imposing a single-direction causality. Comparing both models clarifies whether foreign investment behavior is mainly influenced by global exogenous shocks or by domestic market adjustments and reciprocal responses within Vietnam's financial system.

Model 1: Exogenous model test

$$d\_Ftrade_t = \alpha_0 + \alpha_1 \mathrm{BTC}_t + \alpha_2 \mathrm{d}\_VIX_t + \alpha_3 \mathrm{d\_EXR}_t + u_t \quad (2)$$

Model 2: Endogenous model test

$$\begin{cases} d\_Ftrade_t = \Upsilon_0 + \Upsilon_1 \mathrm{d\_VNIndex}_t + \Upsilon_2 \mathrm{d}\_EXR_t + u_1 & (3) \\ d\_VNIndex_t = \mu_0 + \mu_1 \mathrm{d\_Ftrade}_t + \mu_2 \mathrm{d}\_EXR_t + u_2 & (4) \\ d\_EXR_t = \lambda_0 + \lambda_1 d\_\mathrm{VNIndex}_t + \lambda_2 \mathrm{d}\_Ftrade_t + u_3 & (5) \end{cases}$$

4. Results

4.1 Overview of Empirical Analysis

This chapter presents the empirical results examining both global and domestic determinants of foreign trading flows in Vietnam. The analysis proceeds in three stages. First, a comprehensive Ordinary Least Squares (OLS) regression is estimated to identify the combined influence of domestic and global factors. Second, an exogenous model isolates purely global drivers such as Bitcoin returns, the volatility index (VIX), and gold prices. Finally, a set of endogenous models using both OLS and vector auto-regression (VAR) investigate the dynamic interdependence between foreign flows, stock-market performance, and exchange-rate movements. This step-by-step approach enables a systematic comparison of the external versus internal forces shaping Vietnam's foreign trading behavior.

4.2 Combined Model (Full OLS Estimation)

Table 2: Regression Results for D_FTRADE (OLS)

Variable	Coefficient	t-Statistic	Prob.
Constant (C)	0.00548	2.48	0.014
D_VNINDEX	–0.0607	–2.07	0.039
D_EXR	0.0387	2.26	0.025
D_GOLD	0.0005	0.07	0.944
D_VIX	0.0829	2.16	0.032
D_BTC	0.7906	2.64	0.009
R^2 / Adj. R^2	0.107 / 0.084		
F-statistic (Prob.)	4.55 (0.001)		
Durbin–Watson	1.67		

The OLS estimation examines how major financial indicators affect monthly changes in foreign trading flows (D_FTRADE) in Vietnam from 2009 to 2025. As shown in Table 2, the model explains about 10.7% of the short-term variation in foreign transactions and is jointly significant ($F = 4.55$, $p < 0.01$). The constant term is positive and significant, indicating an average net inflow of about 0.5% per month when other factors remain unchanged. Among explanatory variables, the stock-market return (D_VNINDEX) shows a significant negative coefficient (–0.061, $p = 0.039$), implying that foreign investors tend to reduce trading activity when the domestic market rises, possibly reflecting profit-taking behavior. Conversely, the exchange-rate change (D_EXR) exerts a positive effect (0.039, $p = 0.025$), suggesting that VND depreciation encourages greater foreign trading, consistent with currency-driven portfolio adjustments. The VIX index also has a positive influence (0.083, $p = 0.032$), meaning that higher global volatility increases foreign trading intensity, perhaps due to portfolio rebalancing. The Bitcoin return (D_BTC) shows a strong positive effect (0.791, $p = 0.009$), highlighting global risk-on sentiment that drives both crypto and equity-market participation. In summary, foreign investors' trading flows respond significantly to stock performance, exchange-rate movements, global risk conditions, and crypto-market trends.

4.3 Model 1: Exogenous Global Factors

To isolate purely global effects, the first model excludes domestic variables and focuses only on D_BTC, D_VIX, and D_GOLD as exogenous determinants.

Model 1 examines the effect of global exogenous variables, Bitcoin returns (D_BTC), global volatility (D_VIX), and gold price changes (D_GOLD), on monthly foreign trading flows in Vietnam from 2009 to 2025. As shown in Table 3, the regression is statistically significant ($F = 5.04$, $p = 0.002$), confirming that these factors jointly explain variations in capital movements. The model's explanatory

power is moderate ($R^2 = 0.073$; Adj. $R^2 = 0.059$), which is reasonable for financial time-series data where investor sentiment and unobserved shocks play large roles. The Durbin–Watson statistic (1.74) indicates no serious autocorrelation, suggesting that the model's residuals are independent and the specification is reliable. Among the explanatory variables, both D_VIX (0.0837, p = 0.032) and D_BTC (0.9286, p = 0.002) exert significant positive effects, implying that rising global risk or speculative momentum encourages greater foreign trading activity. In contrast, gold price changes are insignificant, showing that traditional safe-haven movements have little impact. Overall, foreign investor behavior in Vietnam is more sensitive to global volatility and cryptocurrency trends than to gold market shifts.

Table 3: Exogenous Model Test (OLS Results)

Variable	Coefficient	t-Statistic	Prob.
Constant (C)	0.00451	2.06	0.041
D_VIX	0.08371	2.16	0.032
D_BTC	0.92858	3.11	0.002
D_GOLD	0.00019	0.03	0.979
R^2 / Adj. R^2	0.073 / 0.059		
F-statistic (Prob.)	5.04 (0.002)		
Durbin–Watson	1.74		

4.4 Model 2: Endogenous Domestic Dynamics

4.4.1 OLS Results

Model 2 examines the domestic endogenous relationships among foreign trading flows (D_FTRADE), stock-market returns (D_VNINDEX), and exchange-rate movements (D_EXR) in Vietnam from 2009 to 2025. The first equation shows that D_FTRADE is significantly influenced by both the stock index (–0.0666, p = 0.023) and the exchange rate (0.0484, p = 0.005). The negative effect of D_VNINDEX indicates that foreign investors tend to reduce trading after market gains consistent with profit-taking behavior, while the positive coefficient of D_EXR suggests that VND depreciation encourages more foreign transactions. The second equation reveals that D_VNINDEX is negatively affected by foreign trading flows (–0.3975, p = 0.023) but positively related to currency depreciation (0.2205, p < 0.001), implying that larger trading volumes can temporarily pressure the market, whereas a weaker currency supports export-oriented sectors, as shown in Table 4.

Table 4: Endogenous Model Test (OLS Results)

Dependent Variable	Independent Variables	Coefficient	t-Statistic	Prob.	R^2 / Adj. R^2	F-stat (Prob.)	Durbin–Watson
D_FTRADE	C	0.0094	5.14	0.000	0.050/0.040	5.02 (0.008)	1.51
	D_VNINDEX	-0.0666	-2.28	0.023			
	D_EXR	0.0484	2.87	0.005			
D_VNINDEX	C	0.0137	2.94	0.004	0.150/0.142	17.0 (0.000)	1.87
	D_FTRADE	-0.3975	-2.28	0.023			
	D_EXR	0.2205	5.65	0.000			
D_EXR	C	-0.0067	-0.83	0.408	0.163/0.154	18.7 (0.000)	1.84
	D_FTRADE	0.8479	2.86	0.005			
	D_VNINDEX	0.6471	5.65	0.000			

The third equation, where D_EXR is the dependent variable, confirms that exchange-rate changes are strongly affected by both D_FTRADE (0.8479, $p = 0.005$) and D_VNINDEX (0.6471, $p < 0.001$), but the constant term (–0.0067, $p = 0.408$) is not significant, indicating no systematic average change in the exchange rate independent of market factors. The model's fit is relatively strong ($R^2 = 0.16$; $F = 18.7$, $p < 0.001$), and the Durbin–Watson statistics (~1.8) show no serious autocorrelation. Collectively, these results highlight that currency fluctuations in Vietnam are driven mainly by stock-market performance and foreign trading activity, rather than by any persistent trend, reinforcing the presence of a dynamic, mutually interactive system between capital flows, equity prices, and exchange-rate adjustments.

4.4.2 Vector Auto-regression (VAR) Results

Building upon the earlier OLS analysis in Model 2, which identified significant contemporaneous relationships among foreign trading flows, stock performance, and exchange-rate movements, the vector auto-regression (VAR) model was employed to further examine their dynamic interdependencies over time. While the OLS results captured the instantaneous effects within each period, the VAR framework allows for a deeper understanding of how shocks or changes in one variable propagate through the system across subsequent months. This transition from static to dynamic modeling provides a more comprehensive view of the feedback mechanism between foreign investors' behavior, market performance, and currency adjustments. In other words, the VAR analysis extends the previous findings by revealing not only whether these variables influence each other, but also how long and how strongly these interactions persist within Vietnam's financial markets. The results of the VAR estimation are summarized and interpreted in Table 5 below. The VAR(2) model captures the *dynamic feedback* among D_FTRADE, D_VNINDEX, and D_EXR.

Table 5: Vector auto-regression (VAR) estimates

Variable	D_FTRADE Equation	D_VNINDEX Equation	D_EXR Equation
D_FTRADE(-1)	0.1874 (2.51)	0.3499 (1.80)	0.0510 (0.15)
D_FTRADE(-2)	0.1587 (2.10)	–0.1210 (–0.62)	0.0728 (0.21)
D_VNINDEX(-1)	0.0271 (0.91)	0.1081 (1.39)	0.2608 (1.94)
D_VNINDEX(-2)	–0.0172 (–0.58)	–0.0173 (–0.22)	–0.0204 (–0.15)
D_EXR(-1)	0.0068 (0.39)	–0.0463 (–1.02)	0.0790 (1.00)
D_EXR(-2)	–0.0154 (–0.89)	–0.0004 (–0.01)	–0.1582 (–2.03)
Constant	0.0058 (2.86)	0.0106 (2.02)	0.0054 (0.59)
R^2 / Adj. R^2	0.082 / 0.053	0.024 / –0.008	0.061 / 0.031
S.E. eq.	0.02497	0.06501	0.11276
F-statistic	2.77	0.76	2.02

The vector auto-regression (VAR) model explores the dynamic interactions among foreign trading flows (D_FTRADE), stock-market performance (D_VNINDEX), and exchange-rate changes (D_EXR) in Vietnam from 2009 to 2025. The results show that foreign trading flows exhibit strong persistence over time, with both D_FTRADE(-1) (0.1874, t = 2.51) and D_FTRADE(-2) (0.1587, t = 2.10) being positive and statistically significant. This indicates that foreign investors' behavior tends to follow momentum patterns, where previous trading activities continue to influence future transactions for up to two months. The constant term is also significant and positive (0.0058, $p < 0.01$), suggesting that, on average, foreign inflows remain positive even after accounting for other dynamic factors.

For the stock-market equation, none of the lagged variables are statistically significant, though the coefficient of D_FTRADE(-1) (0.3499, t=1.80) approaches significance, implying that previous foreign trading may have a mild positive impact on future stock returns. In contrast, the exchange-rate equation shows one significant variable: D_EXR(-2) (-0.1582, t=-2.03), confirming a mean-reverting behavior of the exchange rate, where earlier currency movements are partially corrected in subsequent months. Overall, the R^2 values are modest (0.08–0.06), typical for monthly financial data, but the system's F-statistics confirm joint significance for the D_FTRADE and D_EXR equations. These results demonstrate that foreign trading flows are persistent, while exchange rates exhibit self-correcting tendencies, and stock returns are weakly linked to past trading and currency dynamic. Together, these results portray a partially interconnected but stable short-run adjustment process in Vietnam's financial system.

5. Conclusion and Implications

5.1 Conclusion

This study investigated the determinants of foreign trading flows in Vietnam by integrating both global and domestic financial perspectives. Using monthly data from 2009 to 2025, two empirical frameworks were applied: (1) an exogenous global model using Ordinary Least Squares (OLS) to capture the effect of international sentiment indicators such as Bitcoin returns, gold prices, and global volatility (VIX); and (2) an endogenous domestic model employing both OLS and vector auto-regression (VAR) to examine the feedback relationships among foreign trading flows (D_FTRADE), stock-market performance (D_VNINDEX), and exchange-rate dynamics (D_EXR). The results reveal several important findings. First, the combined OLS model confirmed that both global and domestic variables significantly influence foreign investor activity. Specifically, Bitcoin returns and global volatility (VIX) positively affect foreign trading, indicating that foreign investors respond to speculative risk sentiment and global uncertainty. In contrast, gold prices are insignificant, implying that traditional safe-haven assets do not drive equity flows in Vietnam. Second, the domestic variables also exhibit meaningful effects: stock returns (D_VNINDEX) have a negative relationship with foreign trading, consistent with short-term profit-taking behavior, while exchange-rate depreciation (D_EXR) encourages greater foreign activity through valuation effects. Finally, the VAR results highlight momentum persistence in foreign trading and mean-reverting behavior in the exchange rate, confirming short-run feedback among the three domestic variables.

Overall, the findings suggest that Vietnam's foreign investment behavior is shaped by a dual mechanism: external global sentiment and internal market feedback. The country's increasing financial openness means that foreign flows are sensitive not only to domestic fundamentals but also to global cycles of optimism, risk, and volatility. Hence, both international and domestic forces must be considered jointly to understand and manage capital-flow volatility effectively.

5.2 Theoretical Implications

From a theoretical perspective, this research contributes to the literature on emerging-market finance and capital-flow dynamics by integrating global behavioral indicators (Bitcoin, VIX, gold) with domestic financial linkages (stock and exchange-rate movements) in a unified empirical framework. Unlike previous studies that treat external and internal determinants separately, this dual-model approach captures how exogenous global factors and endogenous domestic interactions jointly shape investor behavior. Moreover, by combining OLS and VAR estimation, the study provides insights into both contemporaneous relationships and dynamic feedback effects. The inclusion of Bitcoin as a global risk proxy extends behavioral-finance theory into international capital-flow modeling, suggesting that digital-asset sentiment has become an important dimension of global financial psychology.

The empirical findings provide several important implications for policymakers, regulators, and financial market participants in Vietnam. First, the positive sensitivity of foreign trading activity to exchange-rate changes underscores the need for a balanced exchange-rate management policy. Moderate currency flexibility should be maintained to allow market adjustments while avoiding excessive volatility that could trigger sudden inflows or outflows. Stable exchange-rate expectations can help sustain investor confidence and reduce speculative behavior. Second, the significant influence of global sentiment indicators particularly Bitcoin and the VIX suggests that Vietnamese regulators should integrate global financial risk monitoring into domestic policy frameworks. Regular assessment of global market trends, digital asset movements, and volatility indices can help anticipate capital-flow reversals and prevent systemic stress in the local market. Third, since the results show short-term feedback between foreign flows and stock-market performance, maintaining market transparency and policy consistency is crucial. Strengthening disclosure requirements, improving corporate governance, and ensuring predictable regulatory communication will minimize herd behavior and stabilize trading sentiment among foreign investors. Finally, from a practical standpoint, portfolio managers and foreign investors should account for both global sentiment shifts and domestic macro-financial indicators when making investment decisions. The findings highlight that trading patterns in Vietnam are influenced by both speculative international dynamics and local fundamentals. Incorporating these dual influences into investment strategies can improve risk management and return optimization while supporting the broader goal of sustainable and stable capital-market growth.

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