



# VIETNAM DAILY NEWS



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**Table of content**

## Table of content

1. Shares end lower on the fall of blue-chips
2. Retail shares see great growth potential
3. Dutch companies seek new opportunities in Vietnam
4. Long An – bright spot in investment attraction in industrial development
5. Heineken to invest US\$500 million in Vietnam in next 10 years
6. Disbursement of foreign-sourced public investment capital remains slow
7. Global market headwinds seen hitting Vietnam’s trade
8. BWE: ADB and BIWASE sign loan to support sustainable waste management
9. KDC: Notice of the repurchase of shares

## Market Analysis

### 1. Shares end lower on the fall of blue-chips

The Vietnamese stock market settled lower on Monday due to the slump of heavy-weight stocks.

On the Hồ Chí Minh Stock Exchange, the VN-Index lost 1.88 per cent, to close Monday at 1,032.07 points.

More than 909.5 million shares worth VNĐ16.4 trillion (US\$691.8 million) were traded in the southern market.

The market breadth was negative with 286 losers and 158 gainers. Another 53 closed flat.

VN-Index's gaining momentum slowed down at the end of the morning session, then the index reversed and dropped in the afternoon session, said BIDV Securities Co.

“The market dropped sharply to the support area of 1,030 - 1,040, however, the liquidity is not significant, showing that in the coming sessions, VN-Index is still likely to bounce up when the bottom-fishing cash flow appears,” said the company.

Foreign investors net bought VNĐ329.72 billion on HOSE. They were net buyers on HNX with a value of VNĐ8.95 billion.

Blue chips led the market downtrend. Twenty-three out of the top 30 shares by market value and liquidity on the HoSE lost value and only three gained.

The VN-30 Index, tracking the 30 biggest stocks on HoSE, declined 2.6 per cent to close at 1,037.42 points.

In the VN-30 basket, property giant Vinhomes (VHM), steelmaker Hoà Phát Group (HPG), Vietinbank (CTG), Khang Điền House (KDH), Masan Group (MSN), Mobile World Group (MWG), PV Power (POW), SSI Securities Inc (SSI), Vingroup (VIC), and Vincom Retail (VRE) were among the worst performers.

In the banking group, most of the stocks lost ground, pressured by strong selling force, with losers including Military Bank (MBB), Techcombank (TCB), Bank for Investment and Development of Việt Nam (BID), VietinBank (CTG), Việt Nam International Commercial JS Bank (VIB) and Saigon-Hanoi Commercial JS Bank (SHB).

Securities stocks decreased towards the end of the session. VN-Index's loss was significantly broadened as securities stocks declined strongly, such as VNDirect Securities Corporation (VND), Saigon-Hanoi Securities JSC (SHS), Viet Capital Incorporation (VCI), Agribank Securities Corporation (AGR) and APG Securities Joint Stock Company (APG).

Energy stocks also performed negatively with losers such as PetroVietnam Technical Services Corporation (PVS), PetroVietnam Drilling and Well Services Corporation (PVD) and Drilling Mud Joint Stock Corporation (PVC).

On the Hà Nội Stock Exchange, the HNX-Index declined 2.98 per cent to close at 210.53 points.

Trading value on the northern exchange reached VNĐ1.6 trillion, with trading volume of 114.8 million shares.

## Macro & Policies

### 2. Retail shares see great growth potential

ETFs recently have made a net purchase of stocks on the Vietnamese stock market, including retail stocks such as PNJ of Phu Nhuan Jewelry Joint Stock Company, FRT of FPT Digital Retail Joint Stock Company (FPT Retail).

Of them, Viet Nam Equity Fund became a major shareholder of FPT Retail after raising the ownership rate of FRT shares to over 5 per cent. DC Development Market Fund has bought more PNJ shares, bringing the holding volume to more than 3.7 million units, equivalent to an ownership rate of more than 1.5 per cent. Foreign funds are holding more than 9 per cent of PNJ shares.

Many individual investors also put their faith in retail stocks. Nguyen Van Thang, living in Hoang Mai district, Ha Noi said: “Previously, despite the general impact of the market, FRT was still stable because of the long-term prospects of the business. I have faith in this stock.”

Mohammad Mudasser, leader of PwC Vietnam's working capital management consulting service, said that investors should consider stocks in the consumer-retail sector, because based on people's income and increasing young population, this industry has great potential.

Regarding the stock market outlook, Nguyen Trong Dinh Tam, deputy director of investment strategy at SSI Research, SSI Securities Company (SSI), said that the market was confirming the short-term uptrend with soaring sessions. The VN-Index recovered strongly from nearly 900 points in mid-November to 1,080 points at the end of last week, equivalent to an increase of 20 per cent, with high liquidity.

In the retail group, as of December 2, 2022, PNJ price increased by 22.2 per cent compared to November 15; FRT price increased by 21.1 per cent compared to November 15; DGW of Digital World Joint Stock Company (Digiworld) increased by 29.8 per cent compared to November 24; and MWG of Mobile World Investment Joint Stock Company increased by 24.6 per cent compared to November 24.

Medium and long-term prospects

PNJ has just announced business results in October 2022 with revenue of VND2.96 trillion (US\$124 million), up more than 42 per cent. Profit after tax reached VND147 billion, up nearly 23 per cent over the same period last year.

In the first 10 months of 2022, PNJ recorded revenue of VND28.53 trillion, up 96 per cent. Profit after tax was VND1.48 trillion, up 118 per cent over the same period last year, exceeding the performance of the whole year of 2021.

SSI forecasts that PNJ's profit in 2022 may reach VND1.8 trillion and in 2023 will reach VND2.1 trillion.

FPT Retail's revenue is expected to remain positive thanks to the record-high iPhone orders and increased TV sales for the 2022 World Cup.

However, FPT Retail was under competitive pressure after Mobile World Group (MWG) established the Topzone chain - a chain of stores specialising in providing genuine Apple products - which could directly affect the revenue of Apple products, which accounts for one-third of total sales of FPT Shop and F.Studio chains of FPT Retail.

In 2022, DSC Securities Company estimates that revenue and profit of FPT Retail will reach VND28.05 trillion and VND450 billion, up 24 per cent and 1.56 per cent compared to 2021. FPT Retail aims to increase the number of stores to 1,000 by the end of 2022, up by 200 stores compared to the previous plan.

The growth momentum of FPT Retail's Long Chu pharmacy chain may be affected by the fact that the demand for drugs and medical supplies is no longer as high as during the COVID-19 pandemic. Competitive pressure in the market is gradually increasing, partially due to newly-opened Mobile World Group (MWG)'s An Khang pharmacy chain.

However, recently, the Board of Directors of FPT Retail approved a resolution to contribute an additional VND225 billion to FPT Long Chau Pharmaceutical Joint Stock Company, corresponding to buying 22.5 million more shares at the price of VND10,000 per share, thereby increasing the ownership rate from 85.07 per cent to 89.83 per cent of the charter capital of Long Chau.

For MWG, the revenue in October 2022 decreased, in which the revenue of all three store chains, namely Mobile World, Dien May Xanh and Bach Hoa Xanh, was lower than expected, showing the initial impact of inflation on the purchasing power of consumers.

Nguyen Duc Tai, Chairman of MWG's Board of Directors, expects that in the fourth quarter of 2023, Bach Hoa Xanh will be profitable. In 2023, Bach Hoa Xanh has a strategy to attract customers to the supermarket with promotions.

Bach Hoa Xanh is gradually closing the gap with traditional markets and supermarkets, expecting to attract more new customers thanks to convenience factors, which is the main driver for revenue growth in the future.

Vincom Retail Joint Stock Company (VRE) expects the retail rental segment to grow positively in 2023. Its profit in the first 9 months of 2022 reached VND1.94 trillion, an increase of 63 per cent over the same period in 2021, mainly thanks to the simultaneous opening of big brands at Vincom shopping centres.

According to Viet Capital Securities Company, Vincom Retail may open new shopping centres in 2023, affirming its position as the leading commercial centre investor in the industry.

Statistics from the General Statistics Office show that the total retail sales of consumer goods and services in November 2022 was estimated at VND514.1 trillion, up 2.6 per cent compared to October and 17.5 per cent compared to 2021. In the first 11 months of 2022, the total retail sales of consumer goods and services were estimated at VND5.18 quadrillion, up 20.5 per cent over the same period of 2021.

According to Nick Bradstreet, Savills' Asia-Pacific Head of Retail, Viet Nam is one of two prominent retail markets in Southeast Asia besides Thailand. Globally, especially companies with offices in Singapore are researching investment opportunities in this country.

### 3. Dutch companies seek new opportunities in Vietnam

Ingrid Thijssen, President of the Confederation of Netherlands Industry and Employers (VNO-NCW), welcomed the fact that the Vietnamese Government has introduced positive changes in business conditions.

She suggested Vietnam and the Netherlands improve economic cooperation in key sectors of logistics, high-tech agriculture, food production, seaport operation.

VNO-NCW brings together leaders of 115,000 Netherland enterprises and 160 associations. In the confederation, small- and medium-sized enterprises accounted for 80% of the total.

Dolf van den Brink, CEO of Heineken Global, said that sustainable development has been a top-priority target for the Government and people of Vietnam to achieve.

He credited the Vietnamese for the strong commitments to tackling climate change impacts and achieving net zero emission in 2050.

At the meeting, hydraulic engineering firm Boskalis stated Vietnam can become the world's leading shipping hub.

The company, which specializes in port and waterway construction and maintenance, land reclamation, and coastal and riverbank protection, expressed its willingness to advise the Vietnamese government on the development of a legislative framework for sustainable sand mining.

Arnout Damen, CEO of Shipyards Gorinchem, announced at the meeting that the company plans to invest another \$100 million in the Vietnamese shipbuilding sector and can help Vietnam develop a low-carbon transportation network.

For his part, Prime Minister Pham Minh Chinh congratulated Ingrid Thijssen for being elected as VNO-NCW president.

He called on the organization to build bridges between Dutch businesses and Vietnam, especially in the fields of high-tech development, digital transformation, clean energy, sustainable agriculture, infrastructure and logistics, which would have a huge impact on the country's socio-economic development.

PM Chinh also suggested the VNO-NCW help Vietnamese firms join regional and global supply chains as this is one of Vietnamese Government's major concerns.

Taking note of the opinions of Dutch businesses, Prime Minister Chinh welcomed their ideas to expand business operations in Vietnam and promised to facilitate them.

She encouraged foreign enterprises to do green business, reduce the use of natural resources, water and energy, and improve waste treatment and recycling capacity.

He also urged Dutch enterprises to use modern and sustainable production technologies and contribute more to Vietnam's social security and environmental protection.

"Vietnam is a tropical country with huge potential for renewable energy, including wind and solar power. In addition, the country is developing a self-reliant, resilient, internationally-integrated economy," PM Chinh said.

"Vietnam calls for assistance from international communities in terms of finance, technology, manpower, legislation, and administration."

In addition, Vietnam targets to develop a sustainable agriculture sector in combination with sustainable water management, PM Chinh said.

With a coastal length of 3,2160 kilometers, Vietnam hopes to work with the Netherlands to construct seaports and turn the country into the world's top sea transportation terminal, he said.

Vietnam expects all transport activities in the East Sea to be safe and free, the parties involved to resolve their disputes and the exploration of natural resources to be sustainable, he added.

The Netherlands is the largest EU investor in Vietnam, ranking eighth out of 141 foreign investors in the country, with 409 valid projects valued at \$13.7 billion.

#### 4. Long An – bright spot in investment attraction in industrial development

Currently, Long An ranks third in the country in terms of industrial park scale; 13th in attracting foreign direct investment (FDI), and third in the Southern Key Economic Zone and first in the Mekong Delta region in attracting domestic investment.

According to Director of the provincial Department of Planning and Investment Huynh Van Son, the province has planned 41 industrial parks and nearly 80 industrial clusters, of which 18 parks and 23 clusters are already operating with over 1,560 businesses and 1,760 projects. Of the total, there are 849 foreign-invested ones with capital totaling 5.6 billion USD, and 913 domestic ones worth nearly 113.59 trillion VND (4.8 billion USD).

Head of Long An's management board of economic zones Nguyen Thanh Thanh said that this year, enterprises in industrial parks have contributed over 5.6 trillion VND to the State budget.

To attract more foreign investors, Long An has set up the KOCHAM (Korean Chamber of Commerce) Club in the province, held a trade and investment promotion workshop with Korean companies, and dialogues with Japanese firms, received delegations of foreign enterprises, and sent delegations to promote investment in the Republic of Korea, Japan and Australia.

Vice Chairman of the provincial People's Committee Nguyen Minh Lam said that the province will stand

side by side with businesses to help them promptly deal with difficulties, step up administrative reform and digital transformation to better serve enterprises and individuals, and focus on training high-quality human resources.

Long An will continue promoting its potential and advantages of industrial zones, seaports and border gates to gain rapid and sustainable development, he added.

## 5. Heineken to invest US\$500 million in Vietnam in next 10 years

On December 11, Vietnamese Prime Minister Pham Minh Chinh met Brink at the company headquarters in Amsterdam, Netherlands.

Chinh spoke highly of the Heineken-SATRA cooperation in Vietnam over the past 30 years. He lauded the efforts to implement a sustainable development strategy and circular economy into the business operation.

Brink said that Vietnam was an important and one of the most developing markets in the world. After 31 years of being present in Vietnam, the company has invested US\$1 billion and has always ranked among the top three businesses with a remarkable

contribution to the national budget and social security.

Brink expressed hope that Vietnam will remain a country with world-recognized business standards, especially in tax policy, to lure more investors. He also suggested the consideration of excise tax calculation on non-alcoholic beers.

In response to Brink's speech, Chinh encouraged the company to continue to use technological advances in production and promised to create a favorable business environment for the company's expansion, with the tax policy improvement in the spirit of win-win, "harmonious benefits, shared risks" with investors.

## 6. Disbursement of foreign-sourced public investment capital remains slow

According to the Finance Ministry's Department of Debt Management and External Finance, 13 ministries and 59 localities across the country were allocated nearly 34.6 trillion VND of foreign-sourced capital for public investment projects this year.

Vo Huu Hien, vice head of the department said that until now, 8 ministries and 33 localities wanted to return the capital as they are unable to disburse it on time.

Hien said that reasons for the slow disbursement included failure to complete investment procedures or procedures to adjust investment policies, changes in credit agreements, or natural disasters.

The official added that in May 2022, the Prime Minister also allocated about 5.32 trillion VND from remaining capital in 2021 to ministries and localities, and many localities had focused efforts on disbursing this capital rather than this year's.

The implementation of foreign-sourced programmes and projects faces problems, mainly in delayed site clearance, resettlement, and bidding; problems in bidding and appraisal; and adjustment of projects' investment policies.

Obstacles in terms of regulations and mechanisms, and natural disasters and floods in some regions also hindered the disbursement.

## 7. Global market headwinds seen hitting Vietnam's trade

Data from Vietnam Customs showed that in November, Vietnam gained US\$29 billion from exports and spent US\$28.28 billion on imports. Vietnam's import and export turnover would reach US\$700 billion by mid-December.

However, difficulties remain, such as the decline in global demand and the strict export requirements of trade defense policies.

In addition, Vietnamese products face competition from Chinese products in European, Japanese, East Asian and U.S. markets. Companies are excluded due to technological deficiencies related to environmental protection, sustainable development and green transition.

## Corporate News

### 8. BWE: ADB and BIWASE sign loan to support sustainable waste management

↑ 4.55%

The financing comprises \$7 million from ADB's ordinary capital resources and, \$6 million from the Leading Asia's Private Infrastructure Fund (LEAP) administered by ADB. The financing package also includes a parallel cofinancing of \$7 million from the Japan International Co-operation Agency.

The composting plant will have a processing capacity of 840 tonnes daily while the WTE facility will be able to process 200 tonnes of industrial and municipal solid waste per day to generate 5MW of electricity for in-house use at the South Binh Duong Solid Waste Treatment Complex. Output from the compost facility will be sold as fertiliser for agricultural use.

"Viet Nam's rapid urbanisation and economic growth has led to a sharp increase in municipal and industrial waste, and yet long-term financing for waste treatment plants remains a challenge," said the Director General of ADB's Private Sector Operations Department Suzanne Gaboury. "This project addresses the pressing need for efficient waste management in Binh Duong Province and provides a strong case for commercial lenders to consider future investments to make cities more livable and develop ways of generating renewable energy that help tackle the causes of climate change."

Binh Duong Province is one of the most rapidly industrialising provinces in Viet Nam, but this rapid growth generates large amounts of solid waste. In 2019, the province generated about 2,661 tonnes of waste per day, slightly higher than the global average. Industrial composting and WTE facilities can reduce the increasing volume of waste going to landfills.

"A rapid increase in municipal and industrial waste in fast-growing parts of Viet Nam is straining the country's waste management system, and if unchecked can threaten public health," said ADB Director General for Southeast Asia Ramesh Subramaniam. "This project supports Viet Nam's continuous efforts to improve the overall waste management system. It will provide a model for other Viet Nam provinces and surrounding countries seeking to reduce waste through modern processing systems and reduce the amount of waste that ends up in landfill."

"ADB has been a long-term partner in our work to support Viet Nam's water and sanitation priorities, and we look forward to working with ADB again in this project," said BIWASE's chairman of the board of directors Nguyen Van Thien. "This project shows international and commercial financiers that Viet Nam's waste management sector is both feasible and attractive."

### 9. KDC: Notice of the repurchase of shares

↑ 1.63%

KIDO Group Corporation announced the information on the repurchase of shares to reduce charter capital:

1) Stock name: Stock of KIDO Group Corporation

2) Stock type: common share

3) Charter capital:  
VND2,797,413,560,000

4) Total issued volume: 279,741,356 shares



- |   |   |
|---|---|
| 5) Outstanding volume: 179,741,356 shares                         | - Treasury volume: 0 share                                  |
| 6) Treasury volume: 22,517,346 shares                             | 9) Charter capital after repurchasing: VND2,697,413,560,000 |
| 7) Expected repurchase volume: 10,000,000 shares                  | 10) Method of transaction: order matching or put through.   |
| 8) Total volume after repurchasing: 279,741,356 shares, in which: | 11) Proposed period for conducting trading: in 2023.        |
| - Outstanding volume: 269,741,356 shares                          |   |

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