



VIETNAM DAILY NEWS



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Market Analysis

1. Market extends losses on selling pressure

The stock market decreased on Monday, as some investors took profits before the year-end holidays.

On the Ho Chi Minh Stock Exchange (HoSE), the VN-Index declined by 14.08 points, or 1.34 per cent, to close the trading day at 1,038.4 points. The index was mostly unchanged last week.

The market's breadth was negative as more stocks posted poor performance, while liquidity still increased compared to the previous session. Of which, more than VND16.04 trillion (US\$677.47 million) worth of shares, equal to a trading volume of over 988.8 million stocks, was traded on the southern bourse.

The benchmark index was under stronger selling force pressure, with many pillar stocks reporting great losses.

According to Vietnam Construction Securities (CSI), the market's benchmark still can't break through the positive signal in recent weeks' rallies, and the trend is now sideways and accumulating.

"In a worst-case scenario, the area of 985-1,010 points is the strong support zone which is likely to boost for new long positions. But if the index witnesses impressive gains in points and liquidity, the resistance zone in the next weeks is a range of 1,128-1,140 points," said CSI.

Meanwhile, Bao Viet Securities Company (BVSC) said that if the VN-Index couldn't cross over the resistance levels of 1,065-1,070 points, the market is likely to face a risk of going down in the short term.

The VN30-Index, tracking the 30 biggest stocks on HoSE, plummeted 13.85 points, or 1.3 per cent, to 1,050.22 points. Up to 25 ticker symbols of the VN30 basket went down, while only four stocks edged higher, and one stock ended flat.

Real estate, banking, manufacturing, and utility industries led Monday's bearish trend. Specifically, Vingroup (VIC) was the biggest loser, down 3.25 per cent, followed by Vinhomes (VHM), VPBank (VPB), Vietcombank (VCB), and Vietinbank (CTG). All the stocks dropped by 0.63-2.97 per cent.

Other stocks weighing on the market's sentiment were Vinamilk (VNM), Hoa Phat Group (HPG), Vietnam Rubber Group (GVR), Sabeco (SAB), and PV Gas (GAS), down at least 1.13 per cent.

However, the index pared losses on gains of Vincom Retail (VRE) and Masan Group (MSN) stocks, up 4.2 per cent and 1.6 per cent, respectively.

The HNX-Index on the Ha Noi Stock Exchange (HNX) also dipped by 0.75 points, or 0.35 per cent, to 212.24 points.

During the session, more than 106.9 million shares were traded on the northern market, worth nearly VND1.6 trillion.

The market was cushioned by foreign cash inflows as foreign investors net bought for the 21st straight session. They net bought VND105.57 billion on HoSE, and VND13.23 billion on HNX.

Macro & Policies

2. Real estate for rent - bright spot in 2022

Nguyen Quoc Anh, deputy general director of batdongsan.com.vn, said the level of interest and transaction volume for property for sale has tended to decrease due to negative factors, such as some large investors' cancellation of purchasing land plots in Thu Thiem, HCM City after winning auctions.

The US Federal Reserve's interest rates hike caused many domestic commercial banks to raise deposit rates and problems in corporate bond issuance have also had negative impacts on this market.

In addition, the market has suffered bad effects from Hanoi tightening the separation of land parcels and real estate companies cutting a large number of employees due to difficulties in this market.

However, Le Dinh Hao, sales director of batdongsan.com.vn in the North, said the "rare bright spot" in this market is the recovery and strong growth of the segment for rent, especially in Hanoi.

Specifically, in the fourth quarter of 2022, the level of interest from customers in Hanoi decreased by 8% for real estate for sale but surged by 63% for real estate for rent compared to the first quarter of the year. The growth of the rental segment was seen in all types and segments. Of which, the level of interest in townhouses had the strongest growth rate at 179%, while the increase was 153% for the office segment, 77% for private houses, and 21% for apartments.

A survey of the rental market's brokers released by batdongsan.com.vn on December 14 also recorded positive signs of this market. Accordingly, 47% of surveyed brokers believed that real estate rental prices will increase slightly, while 16% of them said the price will increase sharply, and 23% said it will be flat. About 10% thought it will decrease.

Demand for rental properties in both cities recovered well in 2022 but HCM City witnessed a stronger recovery with the level of interest in rental properties increasing by 103% compared to the beginning of the year, while in Hanoi it was 63%.

This year, townhouses and villas are the two types of real estate for sale with the highest level of interest in HCM City. Hanoi's data showed a similar trend. Searches for a townhouse increased by 49% in HCM City and 17% in Hanoi.

Director of batdongsan.com.vn in the South Dinh Minh Tuan forecasts that in the short term, the prices of some segments in some regions may still level off. Owners of those property products must sell the products due to pressure from high interest rates of loans.

Expert Can Van Luc said that authorities need to remove some bottlenecks for the market to develop better and healthier, including the legal issuance of property projects and bonds of property companies.

3. Haiphong continues goal to boost business climate

With a tradition of industrial development, Haiphong has issued many supportive policies for investors, especially in the fields of high-tech, processing, and manufacturing. In the first 11 months of 2022, the city became home to 80 newly-licensed projects worth almost \$1.04 billion.

Newly-licensed ventures in industrial zones (IZs) have a combined investment capital of \$920.9

million, accounting for 88.7 per cent of the total capital. New projects outside IZs and economic zones have a combined capital amount of \$116.9 million, making up 11.26 per cent.

Meanwhile, there were 36 projects registering to adjust their capital in the given period, with this total reaching \$881.5 million. The processing and manufacturing industries attracted the most new

initiatives and capital increases. By the end of November, there were over 850 valid foreign-invested projects in the city, with the total investment capital of \$24.5 billion.

Aside from increasing capital inflows into the city, Haiphong has also experienced impressive economic growth. In 2020, Haiphong's regional GDP increased by 11.22 per cent, posting the second-highest regional GDP growth rate in the country. Last year, Haiphong took the lead with a growth rate of 12.38 per cent, four times higher than the GDP growth rate of the whole country.

In 2022, Haiphong achieved a growth rate of 12.3 per cent year-on-year, about 1.5 times the national average. The city is among the leading localities in Vietnam in terms of economic growth.

Haiphong has made great efforts to improve the business climate. A leader of LG Display Vietnam Haiphong said that the company will continue to pour capital into the locality, not stopping at \$4.65 billion.

LG Group has invested almost \$7.24 billion into Trang Due IZ. LG Group has formed a network of more than 50 satellite suppliers with a combined investment capital of nearly \$1 billion.

The province has attracted foreign-invested powerhouses with significant influence in their industries. For instance, Taiwanese-backed Pegatron Corporation, which produces 30 per cent of components for Apple, has boosted its investment capital by \$300 million, bringing the total to \$800 million.

Pegatron's manufacturing expansion has led to the rising demand for other suppliers in the supply chain. Thus, some suppliers of Pegatron have considered Haiphong as the top investment destination when coming to Vietnam.

4. Large room for exports to UK remains

Under the UKVFTA's commitments, six years after the validity of the agreement, the UK will remove import duties for 99.2% of tariff lines, equivalent to 99.7% of Vietnam's export values.

Many other foreign groups have come to Haiphong to explore and pour capital into the city. However, there is growing competition in foreign direct investment (FDI) attraction, and there is no gap between countries and regions. As a result, funding promotion strategies must be constantly updated and innovated to meet the changing demand.

Le Trung Kien, director of Haiphong Economic Zones Management Authority, stressed that the implementation of new IZs is one of the solutions to lure investment capital into Haiphong. Before 2025, the city will develop and expand 15 IZs over more than 6,100 hectares, creating top conditions for investors to explore Haiphong.

According to Kien, thanks to the heavy funding in seaport, transport, and IZ infrastructure, Haiphong has become more attractive to investors.

“To maintain the top position in the country's FDI attraction, the city will continue to develop infrastructure, especially related transport infrastructure projects, to improve connectivity,” Kien said. “Meanwhile, the city will develop the circular economy and prioritise the use of renewable energy in line with sustainable trends such as solar energy and wind power.”

According to Nguyen Hoang Long, director of Haiphong Department of Planning and Investment, the city set a goal of attracting \$11 billion in FDI in the 2021-2025 period. The city will focus on promoting the linkage between local and foreign-invested enterprises to increase the efficiency of cooperation.

“At the same time, the city will not only increase the localisation rate of foreign-invested groups, but also improves production capacity and promote the development of domestic enterprises, especially small- and medium-sized enterprises in the supply chain,” Long said.

In 2021, bilateral trade between Vietnam and the UK reached nearly US\$6.6 billion, in which Vietnam's exports to the UK gained US\$5.8 billion, an increase of 16.4% year-on-year.

The first 10 months of this year also witnessed an increase of 9% in Vietnam's exports to the UK over the same period last year, at US\$5.2 billion.

According to the director of the WTO center under the Vietnam Chamber of Commerce and Industry (VCCI), the positive business result was attributed to the enterprises' efforts in getting to know the UKVFTA and exploiting its advantages to boost exports.

Some 18% of enterprises participating in the VCCI's survey said they had known the agreement's commitments relating to their business activities in the Vietnam-UK trade relation.

According to Nguyen Canh Cuong, the Trade Counsellor at the Vietnamese Embassy in the UK,

export tariffs and technical standards imposed by the UK are less rigid than the EU's regulations, which are favorable for Vietnamese enterprises to carry out their exports to the UK, provided that the enterprises find a new approach to this market.

Cuong advised exporters to make full use of the UK's adjustments in the import and export supply chain to gain market share, adding that the trade promotion to connect directly with the customers is the most effective market approach.

Vietnam's exports to the UK only made up 1% of this country's total imports; thus, the room for exports to the UK is ample, highlighted by Christopher Jeffery, chairman of the British Chamber of Commerce Vietnam.

5. State promotes stabilisation of goods prices during Lunar New Year 2023

That is the main purpose of the Ministry of Finance's directive on strengthening management and stabilisation of goods and service prices during Tet in 2023 that has just been issued to create advantages and control inflation.

According to the ministry, in the 11 months of 2022, the world's economic and political situation changed rapidly and complicatedly. Prices of strategic raw materials, including petrol, rose to high levels in the first half of the year to put great pressure on the target of controlling inflation in Viet Nam.

In that context, price management was synchronously implemented by ministries, sectors and localities under the direction of the Government, contributing to inflation control as targeted.

However, until the end of the year and in the first quarter of 2023, supply, demand and prices of essential raw materials are expected to have many complicated and unpredictable changes. Those require the State to have solutions for the management and stabilisation of goods and service prices for controlling national inflation next year.

Therefore, relevant State agencies are urged to closely monitor the world economic performance and inflation affecting Viet Nam and have suitable solutions for coping with the effects. They include

local departments of finance, customs and tax, the State Treasury of provinces and centrally-run cities, the State Reserve Department, and the National Steering Committee for Anti-smuggling, Counterfeit Goods and Trade Fraud.

They will also closely update the situation of supply and demand, and the domestic market prices to suggest measures on managing and stabilising the prices on the domestic market, especially before, during and after Tet. They need to strengthen the fight against smuggling, trade fraud and counterfeit goods, avoiding abnormal fluctuations affecting socioeconomic development.

The price management and stabilisation will especially focus on essential goods and services, such as food, fresh food, travel and transportation services, and materials for production.

Of which, the ministry has requested the Price Management Department to closely monitor supply, demand and prices in the market, especially for some essential consumer goods and important materials with large fluctuations in prices. It will advise the ministry on appropriate price management measures to stabilise the market prices and control inflation.

At the same time, it will collect market information, then analyse and forecast fluctuations in market prices. Then, it actively develops a price

management scenario from now until 2023 with proposals on price management.

Goods for Tet increase

According to the Ministry of Industry and Trade (MoIT), the supply of essential goods for the coming Tet will be basically enough with stable prices based on preparation from the ministries, sectors, localities and enterprises.

Especially, with a series of trade promotion and consumption stimulation programmes, people in remote and isolated areas and workers in industrial zones can get goods at stable and affordable prices.

Minister of Trade and Industry Nguyen Hong Dien has suggested the Ministry of Finance (MoF) coordinate with MoIT in monitoring price fluctuations and price-stabilised items, and strictly handle violations in price.

Dien has also proposed the State Bank continue directing commercial banks to deploy supportive policies for the businesses participating in the market stabilisation programme during the Lunar New Year with preferential interest rates. That will bring advantages to the businesses to increase capital for buying goods for Tet and stabilising the market.

Le Manh Phong, director of Big C and Go! chains in the North under the Central Retail Vietnam Group, said the domestic market prices have fluctuated with changes in the world market, but purchasing power has recovered and has been even higher than in two years before the COVID-19 pandemic.

The chains also forecast that from now until the end of the Lunar New Year in 2023, the purchasing power will continue this positive trend.

"The chains have worked with all suppliers to stock goods for Tet since the beginning of October this year," said Phong.

Authorities in big cities with large populations and high consumer demand, such as Ha Noi, Da Nang and HCM City, have built detailed plans to ensure goods for Tet.

Tran Thi Phuong Lan, acting director of Ha Noi Department of Industry and Trade, said it is forecast

that from the end of 2022 until the Lunar New Year in 2023, shopping demand is expected to increase from 15-30 per cent depending on each item. So, production and business enterprises in Ha Noi will step up production and purchasing to stockpile goods to be ready to serve the diverse consumer needs of the people.

Ha Noi has been also implementing a market stabilisation programme for essential commodities from July 2022 to the end of May 2023 with the participation of 32 enterprises of production, trading and supplying goods. They supply goods to more than 12,000 selling points in the city, including 132 supermarkets, over 8,000 stores, 1,269 stalls at traditional markets and 517 collective kitchens.

To support enterprises in taking loans for the production of essential goods, the municipal authorities have had a programme on connecting those enterprises to banks that provide total loans worth VND889 billion.

"The enterprises have also promoted sales of goods and services via online channels and implemented electronic payments. They have actively connected with partners in other provinces and cities to have an available supply of goods for Ha Noi," Lan said.

A representative of the HCM City Department of Industry and Trade said enterprises have spent VND22 trillion to prepare goods for HCM City's market in the two months before and during Tet in 2023, including eggs, foodstuffs and processed foods.

The city currently has 46 trading centres, 227 supermarkets and 3,000 convenience stores. It is forecast that the supply of goods will increase about 2-3 times compared to normal months.

"HCM City has signed a memorandum of understanding (MOUs) with the companies to stabilise the price of essential goods before, during and after Tet," the representative said.

Meanwhile, Nguyen Huu Hanh, deputy director of Da Nang Department of Industry and Trade, said "enterprises in the city have increased volume of goods for Tet compared to the previous year with an expected total value of about VND1.85 trillion."

Nguyen Thi Minh Huyen, deputy director of MoIT's Department of E-Commerce and Digital Economy, said e-commerce activities will be promoted by the industry and trade sector to create conditions in expanding markets for manufacturing enterprises, localities, agricultural cooperatives, products under the One Commune One Product programme (OCOP), and local products.

Ensuring market stability

Pham Van Duy, deputy director of the Department of Agricultural Product Processing and Market Development under the Ministry of Agriculture and Rural Development, said the supply of food will basically meet the domestic market demand with an increase in output of essential commodities such as rice, vegetables, fruits, meat, milk and eggs.

Phung Anh Ngoc from MoF's Price Management Department has also agreed that the supply of essential goods is relatively abundant, ensuring the

stability of supply for the domestic market and export.

“MoF will continue to coordinate with other ministries, sectors and localities to regulate prices of essential commodities, especially petrol. At the same time, it proposes solutions to stabilise the market and the macroeconomy. This is an important activity because controlling the prices at the end of the year will create advantages for curbing inflation in 2023,” Ngoc said.

Trinh Quang Khanh, vice chairman of the Viet Nam Petroleum Association, said the domestic petroleum market has basically returned to normal. Binh Son Oil Refinery Plant has increased capacity by 10-20 per cent to meet the demand of key traders.

Meanwhile, the petroleum enterprises, members of the association, have completed imports of petroleum as allocated by MoIT. Therefore, the supply of petrol meets the demand for before, during and after Tet, he said.

6. VND35-trillion bidding package in Long Thanh airport project cancelled

Contract package 5.10 involves design, construction and equipment installation in the passenger terminal, which belongs to Component 3 on major works in the first phase of the big-ticket Long Thanh airport project.

The first phase, running from 2020 to 2025, would cost an estimated VND109 trillion (US\$4.6 billion at the current exchange rate) and consist of a runway, a passenger terminal and other supporting facilities. This phase is designed to handle 25 million passengers and 1.2 million tons of cargo.

This is the biggest contract package in the first phase of the airport project. It would take 33 months to carry out the package, including

weekends, holidays and Lunar New Year, as from the date of the contract coming into force.

ACV will re-open competitive international tenders for the package and this process might take 45 days, reported the local media.

In October this year, ACV held a pre-bidding conference with around 10 contractors from Germany, Japan, South Korea, China and Vietnam taking part. But when the bidding time was closed on November 8, 2022, only one entity submitted its bidding documentation, leading to an extension of the bidding until the end of November.

However, all bidding files are not qualified under Article 17 of the Bidding Law, resulting in ACV cancelling the bidding.

7. Venture summit spotlights shifting global capital flows

In his opening remarks, Minister of Planning and Investment Nguyen Chi Dung said global investment trends are changing profoundly as a result of geopolitical uncertainties and a risk of recession in many big economies. The shift of capital flows has been taking place strongly among regions and countries, in which there are fewer investment opportunities for both startups and investors.

Vinnie Lauria, founder and managing partner of Golden Gate Ventures, said in the first decade of the startup ecosystem in Southeast Asia, Singapore and Indonesia were the leading growth drivers, with Singapore holding financial and human resources and Indonesia a giant domestic market.

In 2022, Vietnam has become the third pillar of this triangle, bringing about a perfect combination of leading technological talent, the entrepreneurial culture of Vietnam, and a fast-growing domestic market, he noted.

He added Vietnam is currently assessed as the latest gemstone of Southeast Asia, and its emergence comes as a result of its market's attractiveness to investors and the Government's support for the startup ecosystem.

Vietnamese startups raised a record of 1.4 billion USD with 165 transactions in 2021, up 1.6 times from the 894 million USD and 126 transactions in 2019. This indicated that transactions in the market have regained momentum after a pandemic-triggered decline. The upward trend is forecast to

continue in 2023, according to the National Innovation Centre (NIC).

Some factors turning Vietnam into a bright spot of investment attraction include political stability, a young and educated workforce, developed infrastructure, digital skills, and innovation capacity. Besides, the country is considered a promised land for high-quality FDI and large international enterprises that are seeking investment opportunities to diversify supply chains and reduce the dependence on the Chinese market.

Vietnam has become a leading candidate for the shift of capital flows, the NIC said, adding that the country is now at an important turning point of its economic development process. Its stature in the region, impacts of the COVID-19 pandemic, and the strong growth of investment funds have created a favourable context for Vietnam to hold an outstanding position.

At the summit, aside from panel discussions and seminars, a programme named Speed Matching was also held to connect startups with over 30 domestic and foreign investment funds.

The Vietnam Venture Summit is an annual event chaired by the Ministry of Planning and Investment and co-organised by the NIC and Golden Gate Ventures. It aims to connect the startup and innovation ecosystems in Southeast Asia with regional and international investment funds.

Corporate News

8. LPB: Notice of bond repurchase before maturity

↓ -0.38%

On December 16, 2022, Lien Viet Post Joint Stock Commercial Bank announces the repurchase of bonds before maturity with details as follows:

- Bond code: LPBH2124017
- Total value of repurchase (at par value): VND1,100 billion
- Repurchase date: expected on December 23, 2022
- Repurchase volume: 1,100 bonds
- Par value: VND10,000,000/bond
- Unpaid interest to repurchase date before maturity: VND29,000,000/bond
- Repurchase price: VND1,029,000,000/bond
- Total value of payment: VND1,131,900,000,000.

9. TLG: Notice of the record date for the 2022 dividend payment

↓ -5.82%

Thien Long Group Corporation announces the record date for the second phase of 2022 dividend payment:

- Record date: December 30, 2022
- Purpose for the payment for the second phase of 2022 dividend in cash
- Dividend pay-out ratio: 15%/ par value (VND1,500/ share)

Payment date: January 11, 2023

Place & procedure of payment:

- Shareholders whose shares have been deposited: at the securities firms where the shares have been deposited.
- Shareholders whose shares have not been deposited: Thien Long Group Corporation as from January 11, 2023.
- Please submit ID card and Shareholder certificates or the legal authorized letters on receipt of dividend.

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