



# VIETNAM DAILY NEWS



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## Market Analysis

### 1. Heavyweight shares help stop market from a fall

The VN-Index edged up slightly on Thursday despite two-thirds of shares dipping in the red, driven by the growth of heavyweight shares.

On the Ho Chi Minh Stock Exchange (HoSE), the VN-Index inched up 0.15 per cent to close the day at 1,077.59 points. The northern bourse's index decreased more than 3 per cent on Wednesday.

Two-thirds of shares on the HoSE lost value, mainly small- and mid-cap shares. From the perspective of industry groups, most of the groups underperformed, except for retail (up 4.2 per cent on average) and banking (0.6 per cent).

Data on vietstock.vn showed 18 out of 25 stock groups recorded losses, led by seafood processing companies (down 2.3 per cent on average), agriculture, logistics, machinery, construction and household appliances with each decreasing more than 1 per cent.

Blue chips were mixed. The market was supported by the growth of five leading stocks – Vietcombank (VCB), Mobile World Investment (MWG), Vingroup (VIC), Masan Group (VIC) and Vincom Retail (VRE) – with a growth rate of between 1.1 per cent and 5.9 per cent.

Increasing cautious sentiment among investors drove liquidity down. Only 635 million shares worth VND11.1 trillion (US\$462 million shares) were traded, down around 37 per cent in both

volume and value compared to the previous session.

“With the bearish inertia remaining, it is possible that the market will step back to the support area of 1,050-1,060 points of the VN-Index in the next sessions,” said Phuong Nguyen, a market analyst at Viet Dragon Securities Co.

However, Phuong reckoned this area will likely stabilise the market and help it recover to re-test supply and demand.

“For the time being, it’s still possible to wait for good prices of stocks that are maintaining a positive accumulation base, but should limit opening new purchases of stocks that have risen too quickly recently.”

On the Ha Noi Stock Exchange, the HNX-Index dropped 0.32 per cent to end at 215.32 points, expanding the two-day loss to 3.2 per cent.

Nearly 84 million shares worth VND1.2 trillion were exchanged on the Ha Noi Stock Exchange, down 36 per cent in volume and 38 per cent in value compared to Wednesday’s figures.

In contrast to domestic investors, foreign traders continued to comb Vietnamese shares. There were responsible for a total net buy value of VND474 billion worth of shares on the two markets on Thursday.

## Macro & Policies

### 2. FDI hoped to help realty market develop sustainably in long term

Vietnam's real estate sector last year attracted an additional 1.85 billion USD in foreign direct investment (FDI), retaining its second place among industries drawing FDI with combined investment of 4.45 billion USD, accounting for 16.1% of the total FDI poured into the country, according to the Ministry of Construction.

The Ministry of Construction said the FDI inflows in the real estate sector mainly focused on industrial real estate and some big projects.

In the difficult context of the market, FDI is a reliable source of capital for domestic real estate enterprises, helping to promote the sustainable growth of the market in the long term.

Troy Griffiths, Deputy Managing Director of Savills Vietnam, said that the Vietnamese realty market remains attractive to investors despite fluctuations of the world economy.

With a large working-age population and many attractive policies, Vietnam is still attractive, he said, adding that the country has a property market with positive growth, suitable for doing business and investing for a long time thanks to low risks and an inflation rate that is kept at a safe level.

According to the General Statistics Office, from the beginning of this year to January 20, 2023, the total registered FDI capital in Vietnam reached 1.69 billion USD.

The sectors related to wholesale, retail, and repair of automobiles, motorcycles, motorbikes, and motor vehicles attracted most of the sum with 651.9 million USD, accounting for 54.1% of the total newly registered capital.

It was followed by the processing and manufacturing industry which attracted 351.2 million USD, accounting for 29.1%.

The real estate sector lost its second position in FDI attraction in the first month of this year.

However, experts explained that the first month of this year coincided with the long Lunar New Year (Tet) Festival and it was just a "warm-up" time for the real market.

So, the FDI inflows into the real estate sector is expected to increase in the following months.

### 3. Fruit exports to China increase sharply

According to Lao Cai Border Gate Customs Branch, from January 1 to 23 (the second day of the Lunar New Year), Vietnam exported more than 37,000 tonnes of fruit to China, with a turnover of more than \$45 million.

In 2022, China's zero-COVID policy significantly affected the sales of fruit and vegetable products in Vietnam. Throughout last year, the export of fruit and vegetables to China reached \$1.5 billion, down 19.8 per cent on-year. However, at the end of 2022, the Chinese government began loosening its

coronavirus restrictions, allowing Vietnam's exports to increase.

In the second half of 2022, Vietnam and China signed deals to export durian, banana, sweet potato, and bird's nests to the Chinese market. This opens up new opportunities for products to penetrate a market with more than 1.4 billion people.

After one month of durian being exported to China, in October, exports reached nearly \$50 million, an increase of more than 4,000 per cent compared to the same period in 2021.

Dang Phuc Nguyen, general secretary of the Vietnam Fruit and Vegetable Association, said that currently, Vietnam's main fruit export product to China is dragon fruit. Durian is now forecast to set a new record.

Along with that, in 2022, China – which spends about \$4 billion on importing durian annually – implemented more planting area and packing facility codes that match the requirements of the protocol to certify the export of durian products. It is expected to help Vietnam's durian production and packaging to become increasingly professional, meeting the high standards in many other fastidious markets.

Seizing the opportunity from this high-value export product, in November 2022, Vina T&T JSC (Vietnam) and the Sunwah Group (Hong Kong) signed a

strategic cooperation agreement for the export of Vietnamese durian.

The two sides aim that, by 2023, the output of fresh durian exports will reach 4,500 containers, equaling 90,000 tonnes. They will work together to build a durian growing area to meet the import requirements of the local market.

Nguyen Dinh Tung, chairman of Vina T&T, said that Sunwah Group is not only strong in the import and export of agricultural products but also has retail distribution channels in China, which is a premise to build the Vietnamese durian brand.

Experts and businesses believe that 2023 will see strong growth in the export of fruit and vegetables as a result of China easing quarantine and infectious disease management measures for imported goods.

#### 4. Investment channels expected to be better this year

2022 had a prominent feature that at the beginning of the year all investment channels attracted a large volume of capital and saw significant growth, except for the savings deposit channel. The investment channels of gold, securities, and real estate all thrived. For instance, the real estate prices in the first six months of the year increased by about 60 per cent.

For securities, stock prices in the first months of the year also increased and the VN-Index reached more than 1,600 points. However, with impacts from international markets and correction in management activities for the stock market, this growth started to slow down.

Last year, Viet Nam's stock market was one of the markets with the deepest decline and had the slowest recovery among regional countries.

Meanwhile, Viet Nam's gold market always depends on the global gold price. In the first months of the year, the global gold price also increased due to high inflation around the world. After that, gold prices saw fluctuations, and recently experienced a steep drop.

The gold market was not very attractive in 2022. How will this market develop in 2023?

This year, the global economy is forecast to decline and production will not see large growth. The stock market is predicted to move on the downward trend, while the gold price is likely to increase.

I think the gold price this year is still on an upward trend and experts forecast that the gold price in 2023 may increase to up to US\$2,000 per ounce. This is a relatively high price compared to that in recent years.

Obviously, whether the price of gold increase or decrease depends on many different factors, especially the Fed's decision to raise interest rates in 2023 to keep the US dollar stable. So, gold remains an attractive investment channel in 2023.

Last year, the real estate market experienced many mixed developments with excitement at the beginning of the year, but was more subdued at the end. How do you evaluate this investment channel in 2023?

In 2021-22, the real estate market price and supply increased sharply, though the liquidity on the market was not abundant.

In the second half of 2022, the market stagnated after the central bank requested to tighten management of credit risks in the fields of real estate and securities.

In the first half of 2023, the restructuring process of the real estate market continues, which is expected to make it more transparent and attractive.

Besides that, many localities such as Ha Noi, HCM City, and Bac Giang and Thanh Hoa provinces, are creating favourable conditions for investors in housing development, especially affordable housing and social housing.

Therefore, in the second half of this year, this market is expected to have more products and market liquidity will be better, and prices will be more affordable for house seekers. Thus, the real estate market in the second half of the year is likely to develop strongly.

Vietnamese stock market had periods of high growth in 2022. However, the fluctuations in the world economy caused this market to turn around. How do you forecast this investment channel in 2023?

In 2022, the stock market fluctuated strongly due to many reasons. This was in line with the common trend that the stock markets around the world all dropped due to high global inflation.

Additionally, many governments raised interest rates, drawing the cash flow out of the stock market.

In addition, the domestic stock market's recovery was also affected by enhancing management as well as investigation into a series of violations.

Viet Nam gained an economic growth rate of 8 per cent in 2022 and VN-Index recovered to more than 1,000 points at the end of 2022 while the restructuring process still followed the outline of the plan set out by the Government.

On that basis, Vietnamese stock market's operation will move more in line with international practices and be more transparent. So, this year, the market is hoped to begin a process of returning to an increase and more stable growth.

Commercial banks raced to increase interest rates on deposits, which made this investment channel attractive to many individual investors. How do you assess the attractiveness of this investment channel in 2023?

In 2023, commercial banks still need to continue to raise capital, meeting the demand for lending and other activities of the banks.

Though banks agree that the average interest rate is around 9.5 per cent, this is only a temporary investment channel to attract unused capital.

This year, there will be many investment channels with higher efficiency than savings. So, banking is expected to be the investment channel with moderate development, and not be as hot as previously.

## 5. HCM City to face economic challenges, recovery to be hit

Ho Chi Minh City is likely to face hurdles caused by a global recession this year and escalating uncertainty, Vice Chairman of the municipal People's Committee Duong Anh Duc has warned.

Speaking at a meeting on February 1, he said the global economic slowdown and inflation would impact the city's socio-economic development, slowing its recovery.

Global growth is expected to decrease from 3.2% last year to 2.7% this year, he said.

The real estate, stock and bond markets are all expected to face huge challenges this year amid tightening monetary policy, according to Duc.

Many local businesses lack orders because of the weak global demand, and the situation would not improve until the middle of the year, he said.

The city would organise meetings to discuss measures to support businesses and workers, and seek ways to supply the economy with capital amid the tight monetary policy, Duc said.

For instance, it would implement a programme to link up banks and enterprises to provide the latter with loans.

It would also speed up public spending, which has been tardy, to speed up work on major projects this year, he said.

It would also organise activities to match labour supply and demand, he added.

The city's exports were worth 3.6 billion USD in January, down 13% year-on-year.

In January, its Index of Industrial Production decreased by 15% year-on-year and 21% from the previous month.

Retail sales of goods and services grew by 5.7% year-on-year.

Tourism revenues increased by 16.8% year-on-year.

The city received 350,000 visitors, up 100% year-on-year, but mostly domestic travellers, in January, and has a target for this year of attracting 4.5-5 million foreign tourists and revenues of 120 trillion VND (5.03 billion USD).

The city attracted 50 FDI projects worth a total of 86.86 million USD, up 127.8%.

Its revenue collection were down 13%.

## 6. British official in Vietnam to boost accession to CPTPP

Minister of State Greg Hands of the UK Department for International Trade arrived in Hanoi on February 1 for high-level trade talks on how the UK joining of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) will boost the economic firepower of the world's most dynamic trade bloc, according to the British Embassy.

Vietnam was the first leg of his three-day Asia-Pacific tour, which also includes Malaysia and Singapore. The visit aims to promote the UK's engagement in the CPTPP, of which Vietnam is a founding member.

It was also an opportunity to mark the 50th anniversary of the UK - Vietnam diplomatic relations and discuss the thriving bilateral trade relationship, which has increased 12.4% over the last year and is valued at 5.9 billion GBP (7.3 billion USD), the embassy noted.

With the next round of CPTPP negotiations coming soon, the minister expressed the UK's desire to finalise accession at the earliest opportunity.

Speaking of his visit, Minister Greg Hands said: "Joining CPTPP will add even more economic firepower to this exciting and dynamic trade alliance, adding 2 trillion GBP to CPTPP's GDP."

## 7. ChatGPT and AI booms in Vietnam

In the early days of 2023, ChatGPT released by OpenAI is becoming popular all over the world. ChatGPT is a chatbot providing solutions to complex problems directly like composing essays, coding, and drafting business proposals. Within a few

seconds after entering keywords, ChatGPT will provide text, images, audio, and other entertainment media in excellent quality.

Just a few weeks after launching, this “super AI” has reached over 10 million users and has rapid growth. This success helps OpenAI negotiate an investment agreement worth \$30 billion, more than double its valuation in 2021.

After investing \$1 billion in ChatGPT in 2019, Microsoft is planning to invest another \$10 billion in exchange for 49 per cent of OpenAI's stake. This tech giant is considering integrating ChatGPT into Word, Powerpoint, Outlook, and even the Bing search engine to compete for market share with Google Search.

Eric Boyd, CVP of AI Platform at Microsoft, said that a generative AI model like ChatGPT will change the way humans interact with computers.

"Talking to the computer will become as natural as human-to-human communication, and changing users' daily experience of technology," he said.

In the view of Ngo Huu Thong, co-founder of Uweb, ChatGPT is one of the smartest chatbots today that can synthesise information in a very short time from billions of data sources in most languages. Even for difficult and professional questions, ChatGPT can give valuable responses with similar content to articles on the Internet, and its answers feel like talking to a real person.

ChatGPT has made a big impact on other AI startups. For example, AI startup Jasper has raised \$125 million at a \$1.5 billion valuation; Stability AI mobilised \$101 million at a \$1 billion valuation. Other AI companies similar to ChatGPT at a smaller scale like Character.AI, Replika, and You.com are also attracting special attention from investors.

Vietnam is quite responsive to new technologies. Since 2020, when blockchain technology broke out, the country has become a "blockchain factory" that provided thousands of projects related to this technology. Therefore, with the explosion of ChatGPT, experts, and businesses expect to keep up with this wave.

Vietnam is currently ranked 55 out of 181 countries in applying AI. Vietnam currently has more than 70,000 digital businesses and AI have been actively and strongly applied in all aspects of life.

“FPT has integrated human-bot communication AI to handle boring, repetitive tasks. AI is a key technology of FPT and FPT will pour at least VND300 billion (\$13 million) into this technology in the next three years,” said Vu Anh Tu, CTO of FPT Group.

Rikkei Digital has initially been managing core AI technology, so the company will invest more in AI applications, such as smart cameras and smart speakers.

"Besides this, robotics is an area that Rikkeisoft has invested in and researched since 2019. In the near future, Rikkeisoft will make practical applications thanks to robotic technology and apply in practical fields such as hotels, resorts, golf courses, and AI applications on e-vehicles," said Ngo Minh Quan, CEO of Rikkei Digital.

“The global AI market size is valued at \$93.5 billion and is forecast to have a compound annual growth rate of 38.1 per cent in 2022-2030. Applying AI, Big Data over the world and in Vietnam has become a mandatory need of organisations and businesses to reduce costs, improve customer experience, and enhance business competitiveness,” said Nguyen Nam Long, deputy general director of VNPT Group.

In early 2021, Vietnam issued the national strategy on AI research, development and application by 2030 that sets out the goal of enabling AI to be an important technology of Vietnam in the fourth industrial revolution, contributing to socioeconomic development and gradually turning Vietnam into a bright spot in research, development, and application of AI in the region and worldwide. The year 2023 is expected to be the year of the AI technology boom in Vietnam.

## Corporate News

### 8. VRE: Explanation for the Quarter 4.2022 separate financial statements

↑ 3.04%

Vincom Retail Joint Stock Company has explained the movements of Quarter 4/2022 separate financial statements compared to the same period of last year as follows:

Unit: VND million

No.	Item	Quarter 4/2022	Quarter 4/2021	Difference	%
10	Net revenue	582,933	642,690	-59,757	-9%
11	Cost of goods sold	353,961	417,867	-63,906	-15%
21	Financial income	102,349	85,688	16,661	19%
25	Selling expenses	47,349	53,046	-5,697	-11%
26	General & administrative expenses	23,877	60,915	-37,038	-61%
50	Profit before tax	173,261	116,498	56,763	49%
60	Profit after tax	135,073	86,990	48,083	55%

The explanation for the movements of 10% or more:

- Net revenue in Quarter 4/2022 decreased by 60 billion dong: (i) the revenue from real estate for rent and related services provision increased by 250 billion dong mainly due to the retail industry recovered well after the Covid-19; (ii) the revenue from real estate transfer decreased by 343 billion dong. The cost of goods sold and services decreased accordingly.
- Financial income increased by 17 billion dong because of the increase in the gain from investment activities.
- Selling expenses decreased by 6 billion dong.
- General & administrative expenses decreased by 37 billion dong mainly due to the decrease in provision for doubtful debts.
- The Company's profit after tax increased by 48 billion dong compared to the same period last year due to the reasons above..

### 9. PNJ: Change of charter capital

↓ -1.38%

On January 30, 2023, Phu Nhuan Jewelry Joint Stock Company announces the change of the

company's charter capital from VND2,461,716,200,000 to VND3,281,691,880,000.



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