



# VIETNAM DAILY NEWS



May 30th, 2023

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## Market Analysis

### 1. Investors bet on positive market outlook, indices rise

Both national stock indices ended the first trading day of the week on a positive note, as a wave of gainers permeated nearly all sectors, reflecting the optimism of investors in the market's outlook.

On the Ho Chi Minh Stock Exchange, the VN-Index increased 1.05 per cent to close Monday at 1,074.98 points. Similarly, the HNX-Index on the Ha Noi Stock Exchange rose by 1.22 per cent to end at 220.31 points.

Market breadth favoured the buyers at the end of the session, with 661 gainers and 205 losers.

The VN30 basket which tracks the top 30 shares by market value and liquidity on the HCM City's bourse also exhibited positive performance, with 23 gainers, three losers and four closing flat.

The liquidity remained high and showed significant improvement compared to previous sessions. Nearly 977 million shares worth VND15.7 trillion (US\$665 million) were traded in the two markets, up 34.3 per cent in volume and 28.7 per cent in value compared to Friday's levels.

Twenty-four out of 25 stock industries gained value, according to data on vietstock.vn, of which 15 sectors grew by more than 1 per cent. Securities, plastics, seafood, electric equipment and other financial services were the biggest gainers with average growth of between 2.3 per cent and 4.9 per cent.

Notably, the securities sector demonstrated the strongest performance, with 24 gainers and no

losers. Many stocks in this sector experienced increases of more than 3 per cent, including Saigon Securities Inc (SSI, up 3.8 per cent), VNDirect Securities (VND, up 6.9 per cent), Ho Chi Minh Securities Corp (HCM, up 3.8 per cent), BIDV Securities (BSI, up 4.4 per cent) and Tri Viet Securities (TVB, up 6.9 per cent).

In terms of individual stocks, the shares lifting the VN-Index most were Vinhomes (VHM), Vietcombank (VCB) and Vietnam Rubber Group (GVR) which rose respectively 0.9 per cent, 1.2 per cent and 5.8 per cent.

Sai Gon-Ha Noi Securities Co's analysis suggests a positive market trend in the short and medium term.

"If the VN-Index surpasses 1,075 points, it could move towards 1,100 points and potentially reach 1,150 points, signaling a medium-term uptrend. However, if the market fails to surpass 1,150 points, support is expected around 1,000-1,050 points," they wrote in a note.

"The market has consolidated for six months, forming a strong accumulation base. Short-term investors can consider buying active stocks during corrections, maintaining an average weighting. Long-term investors can restructure portfolios, favouring leading stocks with solid fundamentals and stable growth potential."

Foreign traders were net buyers on both exchanges on Monday, with net buying value of VND133 billion.

## Macro & Policies

### 2. CPI increases by 0.01% in May

The May CPI increased by 0.4% compared to December 2022 and 2.43% from the same period last year.

The average CPI of the first five months of this year rose by 3.55% over the same period last year.

The year-on-year rise in CPI from the beginning of this year tends to slow down gradually with 4.89% in January, 4.31% in February, 3.35% in March, 2.81% in April 2.43% in May, the GSO pointed out.

Factors that pushed the CPI up in the first five months of this year include the increased prices of education, housing and construction materials, culture/entertainment, and tourism because of

increasing demand after the COVID-19 pandemic was put under control.

In addition, prices of food items hiked by 3.8%, mainly due to higher consumer demand during holidays and festivals.

Meanwhile, factors that pulled the CPI down during the period included the falling prices of fuels and postal and telecommunications products.

According to the General Statistics Office, core inflation in May increased by 0.27% over the previous month and by 4.54% over the same period last year. The average core inflation of the first five months of this year rose by 4.83% year-on-year, higher than the CPI growth rate (3.55%).

### 3. Vietnam posts trade surplus of 9.8 billion USD in five months

In the period, Vietnam exported about 136.17 billion USD worth of goods, a year-on-year drop of 11.6%, while imports totalled 126.37 billion USD, down 17.9% year on year.

As many as 23 export items joined the more than one-billion-USD club, making up 87.4% of the total export turnover.

Regarding the structure of exports, processed commodities earned 120.24 billion USD (88.3%); agro-forestry products, 10.79 billion USD; aquatic products, 3.37 billion USD; and fuel and minerals, about 1.77 billion USD.

As for imports, the domestic economic sector imported 43.95 billion USD worth of goods, down 18.5% year-on-year while the foreign-invested sector imported 82.42 billion USD worth of goods, down 17.5%.

Of the import revenue, 118.31 billion USD was spent on production materials and 8.06 billion USD on consumer goods.

The US was the biggest importer of Vietnamese products with 37.2 billion USD, while China was the largest import market with 43.4 billion USD.

Given unpredictable developments in import and export activities, the Ministry of Industry and Trade is continuing to closely monitor developments in the world market and propose cooperation frameworks and solutions to develop traditional markets and diversify export markets. It will also continue supporting businesses to take advantage of signed free trade agreements (FTAs) to effectively exploit markets and boost exports.

The ministry will continue diversifying export markets and products, focusing on developing exports through cross-border e-commerce, and foreign distribution systems, promoting brand development for Vietnamese goods, and increasing the export of highly-processed goods and those made with high technology, having a high localisation rate.

The ministry considers e-commerce an important distribution channel, especially for agricultural products and consumer industrial goods.

#### 4. Vietnam ranks among top exporters to global supply chain of Walmart

During Minister of Industry and Trade Nguyen Hong Dien's participation in the APEC Ministerial Meeting and the Indian Ocean-Pacific Economic Framework Ministerial Meeting in the United States, a meeting took place with Sarah Thorn, senior director of Global Government Affairs at Walmart.

Discussions revolved around reinforcing Walmart's supply chain development in Vietnam and facilitating the integration of Vietnamese suppliers into the esteemed retail conglomerate's expansive global value chain.

Thorn divulged that Vietnam presently ranks among the top five nations contributing significantly to Walmart's extensive system, showcasing a remarkable range of exports encompassing key sectors such as textiles, household goods, electronics, and processed food.

“Given the mounting risks of supply chain disruptions stemming from pandemics and global trade and geopolitical conflicts, Walmart is seeking the unwavering support of the Ministry of Industry and Trade to fortify and expand the resilience of Walmart's supply chain within Vietnam,” Thorn noted.

In response, Minister Dien recommended a strategic partnership between Walmart and the ministry to facilitate training programmes and bolster the capacity of Vietnamese enterprises.

Additionally, fostering collaborations with US enterprises proficient in supporting industries, materials, and processing will solidify an environmentally sustainable and dependable stream of raw materials.

Recognising the mutual benefits for both parties, Minister Dien extended an invitation for Walmart to deploy business delegations from the US and its regional Asian offices to partake in the prestigious Vietnam Sourcing 2023 event.

This gathering, organised by the MoIT in September and held in Ho Chi Minh City, will serve as an ideal platform for exploring lucrative business opportunities and establishing fruitful partnerships, empowering Vietnamese businesses to seamlessly integrate into Walmart's global value chain.

This robust trade engagement and enhanced connectivity between enterprises from both nations will effectively actualise Walmart's diversified strategic approach while simultaneously ensuring a reliable and uninterrupted supply for the renowned retail titan.

“Vietnam's prominent position as one of Walmart's top five primary exporters firmly establishes its pivotal role within the company's intricate supply chain dynamics, ushering in a prosperous relationship for the future,” Minister Dien said.

#### 5. VN among world’s earliest in banking digital transformation: forum

Vietnamese banks are among the earliest in the world to make the digital transformation, experts have said.

Speaking at the Financial Services – Retail Banking Forum in HCM City last Friday, Vu Viet Ngoan, former chairman of the National Financial Supervisory Commission, said the habit of using

digital products had become more prevalent than ever in Viet Nam.

More than 30 per cent of the population uses banking apps, second globally only after China (41 per cent), according to Ngoan.

Viet Nam's banking and financial sectors would continue to play a key role in establishing a "fully digitised, human-centred system".

He also pointed out that the digital transformation in the country would be an important process of how banks and financial institutions analyse, interact and satisfy their customers.

The government has set a target of increasing financial inclusion to cover more than 80 per cent of the adult population by 2025.

Phan Thanh Duc, dean of the management information system faculty at the State Bank of Viet Nam's (SBV) Banking Academy, said Viet Nam had recorded a surge in digital payment everywhere from online marketplaces to small convenience stores and even vegetable and fruit vendors.

Le Duc Anh, director of the Ministry of Industry and Trade's Centre for Information and Digital Technology, pointed out that technologies such as blockchain, AI, cloud computing, machine learning, and customer data collection, management and analysis were being adopted.

The banking sector had invested over VND15 trillion (US\$639.22 million) in digital transformation as of the end of last year, according to a report by the SBV.

Digital payments have been growing at 40 per cent for the last four years, one of the world's fastest digital transformation rates.

According to the report, more than 95 per cent of Vietnamese banks have a digital transformation strategy.

Around 90 per cent of banking transactions are handled through digital channels with 74.6 per cent of adults having a bank account.

As of March around 3.71 million mobile money (or mobile payment) accounts had been opened, over 70 per cent in rural, remote and disadvantaged regions across the country.

Non-cash payments have also seen significant growth, with 82 credit institutions offering internet-based payment services and 51 offering mobile payment services as of the end of last year.

There are 48 licensed intermediary payment organisations.

Digital transformation has helped banks bring down the cost-to-income ratio to 30 per cent, on par with regional and international standards.

#### Recommendations

But experts say the legal framework for digital financial services is inadequate.

It is vital to improve institutional frameworks and upgrading infrastructure, they say.

The lack of human resources with up-to-date skills is another major challenge to digital transformation, they warn.

Organised along with the forum was a fair introducing the advancements needed for the financial industry's digital transformation.

The event was hosted by the Vietnam Association of Securities Business, the Vietnam Digital Communications Association, and the International Data Group.

## 6. Vietnam's outbound investments down in Jan-May



In the year till now, 47 new projects have received certificates for overseas investment with total registered capital of nearly US\$142.7million, equal to 48.6% in new capital over the year-ago period.

Meanwhile, 16 operational projects saw an additional investment of nearly US\$173.7 million, which is 3.9 times higher than the same period of last year.

Statistics from the Foreign Investment Agency show that Vietnamese investors made outbound investments in 13 sectors.

Among those, wholesale and retail received the largest capital of nearly US\$147.7 million, with 15 newly-licensed projects and five projects having capital adjustments, representing 46.7% of the country's total outbound investment.

Information and communications ranks second with US\$108.5 million, accounting for 34.3% of the total outbound investment, followed by finance and banking, agriculture, forestry and fishery.

In the past five months, Canada has emerged as the largest receiver of Vietnam's outbound investment, with total registered capital of US\$150.2 million pledged in one new project and one operational one, making up 47.5% of the total.

As of May 20, 2023, Vietnam had got involved in some 1,648 operational projects overseas with a total of over US\$22.1 billion. Of these, some 141 projects belong to state-owned enterprises with a total of nearly US\$11.67 billion, accounting for 52.8%.

## 7. Hau Giang can become major Mekong region growth engine

Hau Giang's location gives it unique advantages in terms of connections, transport, and logistics

Earlier this year, the Ministry of Transport joined efforts with Hau Giang People's Committee and Can Tho city to convene the groundbreaking ceremony of the Can Tho-Hau Giang road component project, part of an initiative to build the North-South Expressway network's eastern portion, with total length approximating 37km.

Meanwhile, the An Giang-Can Tho-Soc Trang expressway is slated to kick-off construction in June, and investment in the Ha Tien-Rach Gia-Bac Lieu expressway will follow suit.

Once those key motorways are open to traffic, Hau Giang will be the convergent point between the highways, acting as the gateway to other localities in the region.

In light of Hau Giang's development direction this decade, the province is working on the planning scheme of eight industrial parks (IPs) and 15 clusters spanning 2,800 hectares in total, alongside the development of several urban centres.

Hau Giang's development planning aims to boost development leveraging key strategies on spaces, economic development, and management, with industrial development to become the driving force for the economy.

Chau Thanh district will become the centre for industrial and urban development in the medium and long-term. Development will leverage two major roads: Can Tho-Ca Mau expressway connecting to Ho Chi Minh City, and the Chau Doc-Can Tho-Soc Trang road linking to localities south of the Hau River.

Towards 2025, Hau Giang will dedicate targeted capital sources additionally allocated to the province by the central government to executive new projects in transport structure, IPs, and agriculture infrastructure development.

The province will focus on reviewing and expediting several key transport infrastructure projects with high spillover effects on the provincial development, in which priority will be given to the motorways and highways promoting connection between areas in the province.

Investment will also be poured into upgrading essential waterway routes such as Lai Hieu, Nang Mau, Cai Con, Xa No, and Quan Lo-Phung Hiep channels to promote goods flow transport inside and outside the province.

### **Ecosystem development**

Industry is set to play a key role in driving Hau Giang's economic growth, gearing towards modernisation, creating jobs, replenishing local budget, and complementing development resources in other sectors.

The province prioritises investment attraction into businesses and projects with a big contribution to the local budget and recruiting local workers.

Priority sectors are agricultural processing such as vegetables, fruit, seafood, and rice, attached to local material areas and buoyed by cutting-edge technology to create quality items gearing for export; as well as manufacturing, supporting industries, and renewable energy.

In light of the general planning, Hau Giang will focus on the development of three industrial ecosystem areas.

The first will be located in Chau Thanh and Chau Thanh A districts with an emphasis placed on developing high-tech industries, supporting industries, pharmaceutical and cosmetics, logistics complexes, and agricultural processing and sourcing inputs.

The second is the space between Chau Doc-Can Tho-Soc Trang and Can Tho-Ca Mau expressways, belonging to Phung Hiep district. The focus will be on the development of high-tech industries, processing and supporting industries, digital technology, environmental technology, and manufacturing.

The third is the space between Ha Tien-Rach Gia-Bac Lieu and Can Tho-Ca Mau expressway in Long My district.

These three areas aim to grow into major industrial development locations in which the land will be complemented by urban development and landscape factors.

To turn the plan into a reality, Hau Giang will come up with a comprehensive suite of measures, such as turning land for agricultural production into industrial land, giving priority to site clearance to create cleared land, completing investment in IP and cluster infrastructure, and issuing specific mechanisms for investment attraction.

### **Regional logistics hub**

Located south of the Hau River and contiguous to Can Tho city, Hau Giang has distinct advantages acting as a centre for transshipment, transport connection, road and waterway transport, trade and services, and logistics of the south Hau River area with the rest of the Mekong Delta and other regions in the country.

This can be realised leveraging different road and waterway routes such as Song Hau; national highways 1, 61, 61B, and 61C; the South Song Hau highway, and many others.

The province offers a favourable position for businesses to place food and agricultural product processing plants and logistics centres sourcing abundant materials in the region. The province also provides an attractive position for businesses to place beverage and consumer goods production factories or general depots for the region's 18-million population.

In addition, with its central role for waterway connections, Hau Giang can serve as a distribution depot for bulk cargo of building materials and fuel. The province's distinct location provides a worthy opportunity for logistics investment and development in the delta region.

The province is home to three completed logistics centres: Mekong Logistics, Logistics Hau Giang, and Hau Giang Export Agricultural Logistics Centre. Meanwhile, Mekong Depot and Cold Store Logistics Hau Giang are under construction.

In parallel to building and putting into operation logistics centres, the province continues to call for investment into other logistics services centres, striving to form a seamless system that connects to other localities nationwide.

Priority will be given to enticing investment in modern and large-scale logistics development

projects with a high impact on other fields and sectors, particularly cold storage, distribution systems, and seaport projects helping to resolve bottlenecks in Hau Giang and the wider delta region.

To further draw investors to the province as well as into industrial and logistics services, Hau Giang continues to accelerate administrative procedure

reform and increase dialogue with investors to quickly settle any outstanding issues. All efforts are being made to provide businesses and individuals the best experience when residing and doing business in the province.



## Corporate News

### 8. EIB: BoD approves to issue shares the dividend payment

↑ 3.58 %

On May 18, 2023, the Board of Directors of Vietnam Export Import Commercial Joint Stock Bank approved a plan for issuing shares to the dividend payment:

- 1) Stock name: Stock of Vietnam Export Import Commercial Joint Stock Bank
- 2) Stock type: common share
- 4) Total issued volume: 1,481,404,859 shares
- 5) Outstanding volume: 1,475,314,859 shares

- 6) Treasury volume: 6,090,000 shares
- 7) Expected issue volume: 265,556,675 shares
- 8) Total issue value: VND2,655,566,750,000
- 9) Issue ratio: 18%
- 10) Implement date: expected in 2023
- 11) Plan to deal with fractional shares: The distributed shares will be rounded down. The fractional shares (if any) will be canceled.

### 9. POW: PV Power receives “BB” rating for third consecutive year

0.00 %

This is the third consecutive year that PV Power has received “BB” rating with a positive outlook, the highest rating that a Vietnamese company can reach.

The rating, which is based on PV Power's Standalone Credit Profile (SCP) assessment of “BB”, is on a par with the IDR of its 80% parent, Vietnam Oil and Gas Group (PVN, BB/Positive).

PV Power's SCP is driven by its strong market position as Vietnam's second-largest electricity producer, accounting for around 5% of the country's total electricity output and 5% of installed capacity in 2022. It also benefits from diversified fuel sources, long-term power-purchase agreements (PPAs) with Vietnam Electricity (EVN, BB/Positive) for more than 80% of its electricity output and a strong financial profile.

However, EVN's IDR constrains PV Power's SCP, even though PV Power's financial profile is stronger than its SCP assessment indicates. The positive outlook is driven by the positive outlook on EVN's IDR.

The rating is expected to help the firm attract more attention from international credit institutions. Currently, PV Power is investing in many projects with large capital needs such as Nhon Trach 3 & 4 Power Plants and a power project using imported liquefied natural gas (LNG) in Quang Ninh.

As of the end of the first quarter this year, PV Power's total electricity production had surpassed 4 billion kWh, exceeding its plan by 16%, with a revenue of 7.91 trillion VND (337.04 million USD), 20% higher than its quarterly plan, up 10% year on year.

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