



VIETNAM DAILY NEWS



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Market Analysis

1. Market mixed on cautious sentiment

The stock market was diverse yesterday with the VN-Index falling further, as investors traded in a cautious sentiment while foreign investors continued to inject capital into both main bourses.

On the Hồ Chí Minh Stock Exchange (HOSE), the VN-Index dropped 0.45 point, or 0.04 per cent, to close at 1,116.97 points. It had lost more than 5 points on Wednesday after rising for three consecutive days.

The index recovered earlier thanks to large cap stocks but it lost steam and finished the morning traded lower by 1 point.

Cautious sentiment was attributed to the bearish trend.

In the mid- and long-terms, the market is expected to remain optimistic, said Saigon - Hanoi Securities JSC (SHS).

"The VN-Index is accumulating in a wide range of 1,000-1,150 points. And if macro factors are favourable and cash flows run in, it can open an uptrend", SHS added.

Decliners continued to dominate the southern bourse, while liquidity fell both in value and volume.

Particularly, the trading value volume decreased by 22.4 per cent and 23 per cent, respectively, over the previous session to VND13.3 trillion (US\$563.5 million) and 716.9 million shares.

The HOSE's large-cap tracker VN30-Index also edged lower at 1,108.57 points, down 2.03 points, or 0.18 per cent. Fifteen of the 30 biggest stocks dipped, while 11 stocks gained points and four ended unchanged.

Data compiled by a financial website vietstock.vn showed that realty and manufacturing industries were the market's leaders.

Vinhomes (VHM) was the major factor dragging down the market, as it contributed the biggest loss in the market capitalization.

VHM shares fell 0.88 per cent.

Other pillar stocks posting great losses yesterday were Sabeco (SAB) down 1.85 per cent, Vinamilk (VNM) down 1.19 per cent, Masan Group (MSN) dropped 1.15 per cent, and Vingroup (VIC) down 0.56 per cent.

Meanwhile, some large-cap stocks, led by the banking sector, performed well but the force was not strong enough to lift the market. Specifically, Vietcombank (VCB) was the biggest gainer, up 0.88 per cent in market cap.

Securities companies also traded positively with VNDirect Securities Corporation (VND) up 2.14 per cent and SSI Securities Corporation (SSI) up 1.18 per cent.

Appealing ticker symbols like PV Gas (GAS), Vietnam Rubber Group (GVR), and PetroVietnam Drilling & Well Services Corporation (PVD) also helped cushion the downtrend.

On the Hà Nội Stock Exchange (HNX), the HNX-Index rebounded from the previous loss. It gained 0.62 point, or 0.27 per cent, to 229.53 points.

Investors poured more than VND1.6 trillion into the northern exchange, equivalent to a trading volume of 91.3 million shares.

Foreign capital continued to flow into the market as foreign investors net bought more than VND410 billion on the two main exchanges. Of which, they net bought nearly VND398 billion on HOSE and VND12.84 billion on HNX.

Macro & Policies

2. Vietnamese firms urged to strengthen green growth strategy

Vice Chairman of the city People's Committee Vo Van Hoan acknowledged that Vietnam has signed numerous free trade agreements, including new-generation pacts, which present significant opportunities for local firms to expand their exports.

However, these FTAs also come with stringent environmental and sustainable development clauses, he pointed out.

“Green growth and sustainable economic development have become inevitable trends worldwide. Investors coming to HCM City always inquire about the availability of renewable energy and green materials. Investors already in the city also want to become greener. Since a failure to meet green criteria can hinder their products from being exported to European markets and other developed countries. Therefore, green transformation has become an urgent issue.”

Consumers in both local and international markets have become more environmentally conscious, he said.

To cater to them, the creation of an eco-system comprising green materials, green finance, green energy, and supportive policy systems and legal frameworks is necessary, he told the forum held by Sai Gon Giai Phong newspaper, Saigon Co.op and the HCM City Union of Business Associations.

Forums like the Green Trade Forum play a crucial role in raising awareness among consumers, producers, and society, ultimately leading to the formulation of policies conducive to a green economy.

Vietnam is committed to achieving net-zero emissions by 2050, necessitating increased awareness and contributions from the business community.

Prof. Dr. Nguyen Hong Quan, Director of the Institute for Circular Economy Development at the Vietnam National University in HCM City, cited a survey by

McKinsey revealing that 63% of consumers consider brand sustainability when making purchase decisions.

Embracing environmental, social and governance (ESG) standards would provide companies with significant development opportunities, he added.

Pham Van Truong, Deputy Editor-in-Chief of Sai Gon Giai Phong newspaper, said developing a green economy and circular economy is crucial not only for businesses but also for the entire country.

But the task is challenging due to limited resources possessed by Vietnamese enterprises, 99% of which are small and medium-sized businesses, he said.

Nguyen Ngoc Hoa, Chairman of the HCM City Union of Business Associations, commended HCM City's long-standing awareness of the importance of green growth and its initiatives to promote it like the Green Enterprises Awards, which honour businesses compliant with waste treatment regulations and produce environmentally friendly products.

Under the programme, the organisers, HUBA and Sài Gòn Giải Phóng newspaper, will also provide firms with information about green technical barriers to trade in the domestic and export markets, and help them find the means to achieve green development.

Tran Lam Hong, deputy general director of Saigon Co.op, said the retailer gives priority to buying products from firms that are environmentally conscious.

The country's leading consumer goods retailer and Sai Gon Giai Phong newspaper have organised the annual Green Consumption Campaign for 14 years to promote environment-friendly products.

Saigon Co.op's distribution systems also hold the annual Green Consumption Month in June with promotions on environment-friendly products to encourage the use of green products and those made

by companies that do well in environmental protection, thereby creating environment-friendly consumption habits.

3. Individual customers keep depositing at banks despite interest rate cut

The latest data of deposits at commercial banks by the end of March 2023 released last week by the SBV showed unexpected numbers. While deposits of economic organisations decreased sharply by 4.87% compared to the end of last year to more than 5.66 quadrillion VND, deposits of individual customers increased by 7.08% to more than 6.28 quadrillion VND.

Since the beginning of 2023, the deposits of the individual customers have continuously increased to exceed 6 quadrillion VND. Within the first three months of this year, individual customers deposited into the banking system an addition of 415 trillion VND.

The deposits of individual customers into the banking system have increased in the context of high savings interest rates in late 2022 and early 2023. The SBV has just begun to reduce the policy interest rate since mid-March this year and after about three months, it made three policy rate cuts.

The deposit interest rate currently decreases rapidly. Many joint-stock commercial banks only list the highest deposit interest rate at around 8% per year, while the highest rate at State-owned commercial banks is about 6.8% per year.

Analysis of some experts showed the deposits of individual customers into the banking system have

increased rapidly when other investment channels such as real estate, securities, gold and foreign currencies haven't been attractive. The stock market has only prospered for about two months and officially surpassed 1,100 points at the beginning of this month.

Meanwhile, deposits of economic organisations have dropped sharply compared to the end of last year, which has reflected difficulties of firms. Instead of depositing at banks as previously, firms had to withdraw their savings to pay for production and business activities.

Analysts of SSI Securities Company said the deposit interest rate is continuing to cool down, but it is still quite different between groups of State-owned commercial banks and joint-stock banks for tenors of more than six months.

In its June strategy report released last week, Yuanta Vietnam Securities Company said the common interest rate of 12-month deposits listed at commercial banks currently falls to less than 8% per year.

The SBV has also required banks to reduce lending rates by using credit growth quota for management so interest rates are continuing their downward trend. However, the rate cut of lending rates will lag behind deposit rates.

4. Haiphong boasts distinctive advantages in attracting FDI

Haiphong maintained its position as a leading destination for foreign direct investment (FDI) in the country during the first five months of 2023, with more than \$500 million, according to the Ministry of Planning and Investment.

According to Haiphong Economic Zones Management Authority, in 2022, Haiphong ranked fourth nationwide in attracting FDI, reaching

approximately \$2.5 billion. The northern port city has firmly positioned itself as the top investment destination in the country's industrial manufacturing sector.

Haiphong has long been a home for many giant FDI investors. Those that have established bases in the city include LG Group in Korea, Pegatron Group in

Taiwan, Bridgestone Group in Japan, and Regina Miracle Group in Hong Kong.

The expansion of FDI giants in Haiphong is among the factors driving the influx of vendors, suppliers and small- and medium-sized enterprises (SMEs) into the port city.

Unlike the groups who typically make substantial investments in their own facilities, these businesses opt to lease ready-built factories and warehouses.

This leasing option is particularly suitable for SMEs and new market entrants since it allows them to save time and optimise various costs, such as investment and management fees, maintenance expenses, and expenditure on construction.

According to Nguyen Phuong Thao, leasing and asset management director at Gaw NP Capital, the demand for ready-built factories and warehouses is projected to keep rising.

“The end of 2023 will likely witness an upsurge in the supply of such facilities. This will put pressure on rents and occupancy rates, leading to a probable stabilisation of rental prices,” said Thao.

Thao stated that the GNP Nam Dinh Vu Industrial Center project invested in by Gaw NP Capital has been successful in attracting numerous inquiries from companies looking to lease ready-built factories and warehouses.

“There is a growing demand for factory and warehouse rentals, especially from SMEs, but they are cautious about factors such as price, project location, supply chain capabilities, and sustainability factors,” Thao said.

Distinctive advantages in investing in Haiphong

Situated on the strategic economic corridor along the northeastern coast, Haiphong serves as the primary import and export gateway for the northern region. Thanks to its proximity to the Chinese border, which is merely 180km away, the city has been acknowledged as a potential China+1 manufacturing hub.

It is currently the only city in the North that boasts all five major modes of transport, including roads,

waterways, railways, inland waterways, and airports.

National highways No.5 and No.10, Hanoi-Haiphong Expressway, Haiphong-Quang Ninh Expressway, Hanoi-Haiphong Railway, Cat Bi International Airport, and Lach Huyen Deepwater Sea Port are evolving into primary access points to the sea for the northern regions and linking international maritime transportation routes.

Additionally, the city also places emphasis on developing industrial infrastructure. At present, there are 14 operational industrial zones (IZs), and 15 more are planned that will cover a total area of over 6,200 hectares by 2025. Among them, Dinh Vu-Cat Hai Economic Zone encompasses the majority of the key IZs in Haiphong. This zone has received substantial infrastructure investment and utilises sustainable development models.

Haiphong shows off an outstanding business and investment climate, ranking third out of the 63 cities and provinces on the Provincial Competitiveness Index in 2022. In addition, the city secured second place in the Public Administration Reform Index with a score of 91.09 per cent in 2022.

Opt for ready-built factories and warehouses for lease in GNP Nam Dinh Vu

GNP Nam Dinh Vu is a distinguished ready-built factory and warehouse project located in Nam Dinh Vu Industrial Park, one of the largest IZs in Haiphong. Developed and invested in by Gaw NP Capital, the project consists of a total net leasable area of 107,000 square metres. Thanks to its flexible rental space and complete infrastructure, GNP Nam Dinh Vu is well-suited for a diverse range of industries. The project is now ready for handover.

GNP Nam Dinh Vu Industrial Center provides outstanding benefits that include a column-free design to maximise production space, spacious internal roads, EDGE energy-reduction standards, advanced fire protection systems, and round-the-clock security. It is ideal for both export processing enterprises (EPEs) and non-EPEs.

GNP is committed to offering legal and policy assistance to any foreign companies that are shifting their operations to Vietnam. The team will aid in guiding businesses through the company setup

process, obtaining essential business licences, and producing any other required documentation.

GNP Nam Dinh Vu is empowered by Gaw NP Capital, a \$200 million platform backed by Gaw Capital Partners, which is a global real estate private equity firm that is well-known for developing and operating almost 1 million sq.m of industrial space, along with NP Capital Partners, a reputable real

estate firm with a strong network and development capability in Vietnam.

Along with GNP Nam Dinh Vu, GNP is also developing many other projects, such as the GNP Dong Van 3 Industrial Center, an integrated factory and warehouse in Ha Nam province, and the GNP Yen Binh 1 and 2 ready-built factories for lease in Thai Nguyen province.

5. Companies can maximise efficiency by optimising supply chain planning: survey

The specialists in demand and supply chain management in emerging markets conducted an industry survey on supply chain planning to uncover valuable insights and address the challenges faced by businesses in this critical area.

The results shed light on the current state of supply chain planning practices and provided a road map for organisations to enhance their planning capabilities.

The survey across industries and regions captured responses from supply chain professionals, decision-makers and industry experts.

It found that, on average, companies spend 41% of total planning time on data preparation, underlining the need for efficient tools and processes to streamline this process.

When it comes to technology tools and platforms, 30% of companies use dedicated planning software, while 35% still rely on Excel spreadsheets, showing the importance of adopting advanced planning technologies to enhance accuracy, collaboration, and overall planning effectiveness.

Over 44% of respondents identified demand unpredictability as the most challenging aspect of supply chain planning. This underscores the need for robust demand management practices and the incorporation of real-time data to improve forecasting accuracy.

Some 16.7% of companies do not integrate finance into their planning process, representing a missed opportunity to align financial goals and objectives with supply chain planning efforts.

In terms of satisfaction with planning tools, 67% expressed dissatisfaction with what they currently have, indicating significant room for improvement in technology solutions to meet the evolving needs of supply chain professionals.

Julien Brun, founder and managing partner at CEL, commenting on these survey findings, pointed to the critical role of effective supply chain planning in today's competitive landscape.

"Effective supply chain planning is the key to unlocking operational excellence and driving business success. Studies have shown that companies with robust supply chain planning processes experience an average cost reduction of 15% and an inventory reduction of 20-30%.

"Additionally, they achieve an impressive 99% on-time delivery rate and a 20% increase in customer satisfaction. By investing in optimised supply chain planning, organisations can maximise efficiency, costs, and deliver exceptional value to their customers."

6. Urban economy to make up 85% of Hanoi's GRDP by 2025

The share of the digital economy in the city's GRDP will reach 30% by 2025 and 40% by 2030.

The city also expects that e-commerce sales will account for 10% of the total retail sales of consumer goods and services in the city by 2025, and 20% by 2030.

Although urban areas account for only over 10% of the city's area, they are holding an increasingly

important position and role in the capital's socio-economic growth and development.

The urban economy has also affirmed its role as a driving force for economic development, and the nucleus of promoting the transformation of the city's economic and labour structure.

In the 2016-2020 period, budget revenue in urban areas accounted for 78.8% of the total of the whole city.

7. Overseas tours popular for summer holiday

According to tour operators, overseas tours have become more popular in Vietnam due to sensible airfares and interesting promotional programmes.

Huynh Phan Phuong Hoang, Deputy General Director of Vietravel tour operator said most of bookings at his business are for foreign destinations such as Southeast Asia, the Republic of Korea, Japan, and Europe.

Local high-income earners prefer trips to Europe, the US, or Australia, and many are willing to pay more for upgrades, such as flying business class and staying in five-star accommodation.

While domestic tourism recorded impressive growth last year, overseas trips now hold the larger share.

Corporate News

8. VIC: VinFast hands over 2,996 EVs to local clients in May

↓ -0.56 %

VinFast, a subsidiary automaker of conglomerate Vingroup, announced on June 13 that it delivered a total of 2,996 electric vehicles (EVs) to Vietnamese clients in May this year.

The company handed over 1,274 VF8 models, which becomes the best-selling in the Vietnamese market in May, followed by VFe34 with 960 units.

VinFast also delivered 430 VF9 and 332 VF5 Plus cars to clients in May alone. They are the most high-grade SUV electric cars of VinFast.

The company handed over a total of 8,483 electric cars to Vietnamese customers since the beginning of this year, including 368 VF 5 Plus, 4,065 VF e34 and 3,371 VF 8.

9. EMC: EMC shares likely to be delisted

↓ -0.72 %

On June 13, 2023, the Hochiminh Stock Exchange (HOSE) issued a document announcing the possibility of delisting for the share of ThuDuc Electro Mechanical Joint Stock Company (HOSE: EMC) because HOSE received the Official Dispatch

from the State Securities Commission of Vietnam (SSC) regarding the delisting of public company status for ThuDuc Electro Mechanical Joint Stock Company from July 14, 2023.

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