



VIETNAM DAILY NEWS



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Market Analysis

1. Shares move higher as cash flow spurs market

Vietnamese markets ended Tuesday mixed as the injection of cash flow supported the market and outweighed the sell-off pressure as VN-Index moved higher.

The benchmark VN-Index on the Hồ Chí Minh Stock Exchange (HoSE) rose 0.96 per cent, to close the day at 1,108.31 points.

The breadth of the market was in positive territory, with 262 stocks up while 121 traded lower.

During the session, investors poured over VNĐ15.6 trillion (US\$664 million) into the southern market, equivalent to a trading volume of nearly 842.8 million shares.

The 30 biggest stocks tracker VN30-Index also closed higher at 1,102.32 points, up 1.03 per cent. Twenty-four ticker symbols of the VN30 basket climbed, while six went down.

The VN-30 group performed positively and bolstered the market.

In the basket, banking stocks gained slightly, with gainers being Military Bank (MBB), Techcombank (TCB), Saigon-Hanoi Commercial JS Bank (SHB), Vietcombank (VCB), VietinBank (CTG) and BIDV (BID).

However, Tiên Phong Bank (TPB) and Vietinbank (CTG) were still hit by selling force, down 1.1 per cent and 0.2 per cent, respectively.

Oil and gas group performed positively thanks to the injection of cash flow, such as PetroVietnam Gas JSC (GAS), PetroVietnam Technical Services

Corporation (PVS), the PetroVietnam Drilling & Well Service Corporation (PVD) and Binh Son Refinery and Petrochemical Joint Stock Company (BSR).

The Vin family trio of stocks - Vingroup (VIC), Vinhomes (VHM) and Vincom Retail (VRE) - also grew 2.1 per cent, 2.4 per cent and 0.9 per cent, respectively.

The market continued to gain after rebounding from the resistance area of 1,080 points of the VN-Index since the end of last week. But the 1,100-point area can put pressure on the market, said Việt Dragon Securities Co.

“Profit-taking supply appeared in this area and hindered the market’s uptrend. However, the market’s decline is not large, showing that there has been no sell-off at this resistance area.”

“The downward pressure may continue when entering the next session, but it is expected that the market will be supported and recover again to continue the process of testing the supply at the level of 1,100 points,” it said.

“Therefore, investors can hold or exploit short-term opportunities in stocks with good technical signals and attracting cash flow. However, it is necessary to consider taking profits in stocks that have increased rapidly to the resistance zone or are under selling pressure from the resistance zone to realise the results.

On the Hà Nội Stock Exchange (HNX), the HNX-Index closed the trading day at 228.72 points, down 0.95 per cent.

Macro & Policies

2. More Vietnamese consumers go cashless: study

In the study, Visa found that 90% of study respondents attempted to go cashless at some point in 2022, as compared to 77% in 2021.

The COVID-19 pandemic transformed consumer behaviour worldwide, and Việt Nam was no exception, Visa said, adding that the percentage of Vietnamese consumers using card or mobile wallet payments increased across every category compared to 2021.

According to the study, 66% of consumers used online card payments last year, while 70% used online or in-app mobile wallet payments, a dramatic increase from 32% in 2021.

“Digital payments continue to grow in popularity among consumers in Vietnam, with VisaNet data showing that the payment volume across all Visa payment methods in the country rose 32% year-on-year in 2022, payment value through online transactions also rose substantially, while cross-border payment volume growth more than doubled compared to the previous year,” Dung Dang, Visa country manager for Vietnam and Laos, said.

QR payments also experienced substantial growth in usage last year, with 61% of consumers using this method, as compared to 35% in 2021.

Taken together, this indicates a gradual shift away from cash, evidenced by the fact that consumers both carried less cash in 2022 and used it for fewer payments, according to the study.

The two most common reasons for fewer cash payments include the possibility of losing it or having it stolen, and the fact that more businesses now support cashless payment methods.

Increased use of digital options is evident beyond payment methods as well with 90% of Vietnamese consumers being interested in virtual banking.

Post-COVID consumer behaviour is also coming into focus. New trends have emerged in what consumers spend their money on in the retail space, and how they approach their finances overall, the study found.

It shows that Vietnamese have embraced home delivery, with tech-enabled online payment pre-delivery being the most popular method. Overall, 85% of consumers tried home delivery for the first time during the pandemic, and in the future, they expect 8 out of 10 purchases to be made online and be received via home delivery. Offering online payment and home delivery are clear needs for businesses moving forward.

New shopping habits have also emerged, with 64% of consumers purchasing more medicine and vitamins to maintain their health, while the same percentages are shopping through large online market places and home-based businesses. These spending habits reflect global post-COVID trends, in which e-commerce has grown rapidly while a majority of consumers are trying new shopping behaviours.

Shifting saving and spending trends, meanwhile, mean businesses must adapt to different behaviour. Some 80% of consumers say they are now saving more money for the future, while 78% aim to closely plan and track monthly expenses. This indicates a widespread focus on being financially responsible, as does the nearly universal setting of monthly budgets for household expenditures.

As a result, consumers are likely to reduce spending on certain items, which businesses must anticipate. On the other hand, businesses can move to areas where consumers plan to increase spending, including groceries, fashion and clothing, and staycations or domestic travel, according to Visa.

3. 566km of expressways completed in three years: transport ministry

Those statistics were compared to 1,163km of expressways completed between 2004 and 2019, showing that the expressway sections completed in the last three years equal half of those completed in the nearly 20 years earlier.

Transport Minister Nguyen Van Thang has sent a report to National Assembly (NA) deputies on issues he will be quizzed over this week at the NA question-and-answer session.

The report covers key transport projects completed since the beginning of the NA tenure.

According to the ministry, more than 1,000km of expressways are under construction.

Ring Road No 4 in Hanoi, Ring Road No 3 in HCM City and Khanh Hoa - Buon Ma Thuot, Bien Hoa - Vung Tau, Chau Doc - Can Tho - Soc Trang, Tuyen Quang - Ha Giang, and the Dong Dang - Tra Linh expressway are on the list of construction and waiting for approval.

Once those projects are finished, it is estimated that there will be an additional 344km of expressways nationwide.

It is expected that by 2025, Vietnam will have over 3,000km of expressways and by 2030 it will increase to 5,000km.

The report also highlights the upgrade of four key railway lines on the Hà Nội-HCM City route, helping shorten travel time and enhancing safety.

The ministry set the target of investing in high-speed North-South railway line.

The Ministry of Transport has completed upgrading and renovating 22 airports, including upgrading runways, taxiways, and terminals at Noi Bai and Tan Son Nhat international airports as well as started construction of Long Thành International Airport (phase 1), and Terminal T3 of Tan Son Nhat International Airport.

The synchronous and modern traffic infrastructure has contributed to reducing traffic accidents and congestion in big cities, according to the assessment of the Ministry of Transport.

Minister Thang said traffic congestion had been reduced in big cities, citing an example at Build-Operate-Transfer toll booths where non-stop fee collection systems are operated.

Thanks to the non-stop fee collection systems, congestion at toll booths had been addressed, he said.

According to the Ministry of Transport, the solution to the traffic congestion problem is to strictly apply the regulation in which land for traffic accounts for 16-26% of the urban construction area. Another solution is to relocate universities, hospitals and industrial parks out of the inner city.

4. Vietnam, China seek to promote trading of agro-forestry-fisheries products

According to Nam, the Chinese economy has shown strong recovery with GDP growth reaching 4.5% in the first quarter of this year. The neighbouring country has high demand for Vietnamese agro-forestry-fisheries products.

However, the border gates of both countries are often overloaded, especially during the harvest

season of many agricultural products, leading to congestions at the gates, he said.

Meanwhile, high requirements of the Chinese market, along with strict customs clearance, have prevented many kinds of Vietnamese agricultural products from entering China, said Nam.

The official said that during the working group’s visit, the two sides organised many straightforward discussions to deal with the situation.

Nam said that 70% of Vietnamese agricultural products are exported to China through border gates in Guangxi and Yunnan.

The two Chinese localities agreed with the MARD on the need to connect the farm produce supply chain after COVID-19 pandemic is controlled. They will organise an annual meeting with Vietnam in November to review and evaluate their cooperation outcomes in a year and seek orientations for cooperation in the following year.

They also agreed with Vietnam’s proposal to form an association of agricultural businesses of Vietnam and Guangxi, and another of Vietnam and Yunnan, aiming to build sustainable agricultural supply chains.

The customs authorities of Guangxi and Yunnan also concurred to create favourable conditions for customs clearance activities through border gates, Nam said.

He also stressed the need for upgrading the infrastructure system in border gates to meet the import-export demands between the two countries.

The Kunming customs department has agreed to propose to the General Administration of Customs of

China to expand the list of aquatic products eligible to be exported to Yunnan, said Nam.

The two sides also agreed to set up connecting points to coordinate in settling problems in trading of agro-forestry-fisheries products.

Nam said that the MARD working group’s visit was fruitful, with both sides agreeing to finalise procedures for the signing of a memorandum of understanding on agricultural cooperation between the MARD and the administrations of Guangxi and Yunnan in September on the occasion of the China-ASEAN Expo.

The MARD Deputy Minister also revealed that the Chinese side agreed to open additional border gates with Vietnam, which will be built towards smart border gates using digital technology. The MARD concurred to develop single-window customs services in the country’s border gates.

According to Nam, during the visit, two agricultural trade promotion forums were held in Guangxi and Yunnan, drawing more than 100 Chinese and 20 Vietnamese firms, during which many cooperation issues were discussed.

The official held that in order to further boost the import-export activities between Vietnam and China in general as well as Guangxi and Yunnan in particular, it is necessary to build a sustainable value chain between the two countries to maintain connectivity between the two sides.

5. Vietnam, Norway promote cooperation in marine aquaculture

Speaking at the event, Norwegian Ambassador to Vietnam Hilde Solbakken said that both countries have cooperated in the fishery sector for almost 40 years, especially the Nordic nation's assistance to Vietnam in the compilation of the 2003 Law on Fisheries and related documents, surveying aquatic resources and improving the sector's capacity.

Currently, there are more than 10 Norwegian companies operating in Vietnam in this field, from supplying technological solutions for industrial marine aquaculture, processing salmon and aquatic by-products, manufacturing equipment and exporting aquatic products, he said.

Tran Dinh Luan, head of the Fisheries Department of the Ministry of Agriculture and Rural Development (MARD), said that with a long coastline, both countries have many similarities and common interests. Therefore, studying Norway's experience and lessons of success will provide suggestions to help Vietnam solve current difficulties as well as implement appropriate policies to develop stronger and more sustainable mariculture.

Vietnam is implementing a project on the development of marine aquaculture by 2030, with a vision towards 2045 which aims at expanding the industry in a synchronous, safe, efficient, sustainable and environment-friendly manner, creating

branded products that meet the needs of domestic and foreign consumption.

The MARD also considers reducing exploitation and increasing aquaculture as a policy to help balance

human needs with the conservation of marine resources and sustainable development. Thus, shifting to offshore farming, developing fish farming on an industrial scale towards export, and improving the quality and value of Vietnamese aquatic will be an inevitable trend.

6. Durian, coconut expected to join “1-billion-USD” club of exports

Hong Kong-based newspaper South China Morning Post recently ran an article “China’s Vietnamese durian imports seen pushing total demand for fruit to nearly 1 million tonnes a year” which highlights that durian has rapidly become the most popular imported fruit in China, cities bordering Vietnam are stepping up logistics to ensure fresh supplies can reach any Chinese city in one to three days. The article also said that Thailand has dominated the durian market in China for years, and now other Southeast Asian countries are cashing in.

Since Beijing opened its doors to fresh durian from Vietnam last September, as many as 293 planting areas and 115 packing units in Vietnam have received codes to export to China.

Dang Phuc Nguyen, General Secretary of the Vietnam Fruit and Vegetable Association (VINAFRUIT), said that China’s code granting to Vietnamese growers and packagers is a very favourable condition for Vietnamese durian to enter China.

As Thailand is entering harvest time and selling its durian at 55,000-70,000 VND (2.34-2.98 USD) per kilo, Vietnamese durian can compete and expand the market, durian exporters told Thanh Nien (Young People) newspaper.

In the last three months of 2022, Vietnam shipped a total of 40,800 tonnes of durian to China and generated a revenue of 188 million USD.

The success of Vietnamese durian in the world’s second-largest economy is attributed to the fact

that the market was previously dominated by Thai durian, with high prices and short harvest times.

Vietnamese durian has been able to address such drawbacks with longer harvest times, more affordable prices, short transport distances, and a particularly delicious taste.

Nguyen said that with such advantages, durian exports are likely to hit 1 billion USD this year – the first year the fruit enters the Chinese market via the official channel.

Meanwhile, authorities in Vietnam and China are constructively negotiating for Vietnamese coconut to enter China, also via official channels.

According to the Ministry of Industry and Trade, Vietnam has about 188,000 ha of coconut with a production of 1.9 million tonnes last year. Coconut and coconut related products brought home over 900 USD last year.

It’s promising that the coconut industry can join the “one-million-USD” club soon, especially when the fruit can be exported to China via the official channel, Nguyen said.

The production of fresh coconut, also known as “tourism coconut”, is increasing in the last few years thanks to new varieties with higher productivity, while the demand for processed (dried) coconut is also increasing in the world.

Nguyen Van Thu, chairman of GC Food Joint Stock Company, said that the company is planning to

double its production of coconut jelly for export in the next two years.

Thu said that as consumers increasingly prefer natural healthy products, coconut is more and more welcomed, enjoying a high potential to grow in the coming time.

7. Vietnam’s first official-channel lychee shipment arrives in UK

Thai Tran, managing director of the company, said that it first imported early ripening lychee from Vietnam to compete with those from Mexico and China that are available in the UK market.

Notably, Vietnamese lychee is now packed with the image of the Vietnamese national flag on the package, which aims to promote Vietnamese brands and help consumers easily recognise Vietnamese products in supermarkets.

He informed that the whole process from harvesting the fruit at farms in Vietnam to selling it in the UK takes only 36 hours.

The demand for Vietnamese lychee in the UK is increasing thanks to its high quality and short season, cultural exchange activities, and trade promotion efforts, he said.

Trade Counselor in the UK Nguyen Canh Cuong said that a big challenge for Vietnamese lychee exports to the UK is the preservation of the product. As lychee must be consumed within three days after being harvested to ensure freshness, exporters need to master post-harvest technology.

Vietnamese lychee is currently priced at 15 pounds (18.65 USD) per kilo in the UK, and Cuong said the high price is partly due to the fact that the fruit must be transported by air.

Corporate News

8. FRT: FPT and Mila expand strategic partnership to advance responsible AI

↑ 1.23 %

The signing that took place at the Canada-Vietnam AI Summit held in Quebec last weekend marked the second time that FPT and Mila have signed a strategic cooperation agreement on AI research, training, and development.

Both sides will contribute to developing guidelines, best practices, and ethical standards that will promote transparency, fairness, accountability, and privacy in AI applications. The expanded partnership seeks to solve complex problems and pioneer an AI ecosystem that fosters sustainable growth, human development, and social progress.

Dr. Truong Gia Binh, FPT chairman said, "As a global IT company, FPT aspires to harness AI's power for a safer, better, and happier world."

Since the beginning of the partnership in June 2020, FPT and Mila have collaborated on multiple research projects on causality, language models, voice coding, and more.

Yoshua Bengio, Mila's founder and scientific director stated, "The Mila community has benefited greatly from our relationship with FPT over the past three years, which has resulted in the realisation of many projects. We are delighted to continue our collaboration with FPT, one of our major partners in Asia. This move is a great example of Mila's international impact."

With strategic consultation from Mila, FPT has established the first and largest AI Research Hub in Quy Nhon, Vietnam. With an investment of over \$85 million, the complex will be a research, development, and learning facility for 20,000 tech personnel.

Since 2013, FPT has seen significant expenditure on people, facilities, infrastructure, data, and research to strengthen its AI capabilities. The corporation now boasts an ecosystem of AI-enabled products and services with over 200 million monthly end-users. It plans to integrate AI into all its offerings to provide an unparalleled experience for its customers.

9. EMC: EMC shares likely to be delisted

↓ -0.11 %

On June 05, 2023, the Hochiminh Stock Exchange (HOSE) issued a document announcing the possibility of delisting for the shares of ThuDuc Electro Mechanical Joint Stock Company (HOSE:

EMC) because HOSE received the Official Dispatch No.3199/UBCK-GSĐC dated May 31, 2023 from the State Securities Commission of Vietnam (SSC) regarding the delisting of public company status for ThuDuc Electro Mechanical Joint Stock Company from April 15, 2023.

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