



VIETNAM DAILY NEWS

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Market Analysis

1. VN-Index dives below key level of 1,000 points

Indices dropped sharply on Monday due to a strong selling force, showing investors' pessimistic sentiment about the market's movements.

On the Ho Chi Minh Stock Exchange (HoSE), the VN-Index extended last week's big loss and breached the key psychological level of 1,000 points. Of which, the market benchmark plunged 33.67 points to end the trading day at 986.15 points, a decline of 3.3 per cent.

It had lost over 72 points in just two sessions.

The market's breadth was negative as many stocks tilted to the downside with 148 stocks on HoSE hitting the floor prices.

Liquidity also decreased over the previous session, with more than 654.9 million shares traded on the southern bourse, worth over VND12 trillion (US\$486.1 million).

The VN30-Index, tracking 30 biggest stocks on HoSE, also posted a loss of 36.69 points, or 3.63 per cent, to 973.88 points. In the VN30 basket, only one stock inched up, while up to 27 slid, of which ten registered the biggest daily fall of 7 per cent. And two stocks stayed flat.

The index had fallen for the fourth straight session due to lingering sell-off force.

Statistics from vietstock.vn showed that financial and real estate industries were under the greatest selling pressure. Specifically, Vinhomes (VHM) reported the biggest losses, down 7 per cent.

It was followed by BIDV (BID), Sabeco (SAB), Vinamilk (VNM), Techcombank (TCB), and Mobile World Investment Corporation (MWG), which fell in a range of 3.9-7 per cent.

Other stocks adding to the losses were Saigon Securities Inc (SSI), Sacombank (STB), and Vincom Retail (VRE), Vietnam Rubber Group (GVR).

The HNX-Index on the Ha Noi Stock Exchange (HNX) also edged down 7.91 points, or 3.64 per cent, to 209.5 points.

During the session, more than VND1.1 trillion worth of shares, equivalent to a trading volume of over 77.4 million shares, was traded on the northern market.

On the other hand, foreign investors were flocking to the domestic market as they net bought over VND97 billion on both main exchanges. Accordingly, they bought VND73.34 billion on HoSE and VND23.74 billion on HNX.

Macro & Policies

2. Dong Nai enterprises seek new markets amid uncertain global economy

Meanwhile, the provincial index of industrial production (IIP) increased by more than 7.8% over the same period last year.

Although the index declined in the third quarter of 2022 compared to the first two quarters of the year, businesses still believe that in the fourth quarter of this year, production will recover.

Sectors recording high export growth compared to the same period last year included footwear, iron and steel products, textile and garments, and machinery, equipment, tools and spare parts.

The main export markets of Dong Nai are the US, Japan, China, the Republic of Korea and some European countries.

A representative of the provincial Department of Industry and Trade said that from the middle of 2020 and through 2021, enterprises in Dong Nai were severely affected by the COVID-19 pandemic, forcing some companies to suspend production which hurt export turnover.

Since the beginning of this year, as the pandemic was brought under control, businesses had quickly restored production and increased their exports. This was an optimistic sign, reflecting that businesses were producing a larger amount of goods and had reconnected with customers in the world market, the official said.

Despite achieving impressive growth, experts believe that export businesses will face many difficulties such as global inflation, tightening monetary policy and a growing cost-of-living crisis in many of the country's export markets.

Nguyen Duy Hung, Vice President of the Dong Nai Import-Export Association, said Vietnam was heavily dependent on imported raw materials and fuels.

The selling price of a US dollar at banks had increased by nearly 5% against the Vietnamese dong this year to beyond 24,000 VND.

Manufacturing activity grew at a slower pace as rising raw material costs and a worsening global outlook weighed on corporate sentiment.

While supply disruptions might have run their course, local exporters were also suffering from a slump in global demand as consumers tightened their spending due to high inflation.

The decline in demand from developed countries' markets, coupled with other difficulties in shipping and raw material supply, would continue to have adverse effects on exports.

Currently, Dong Nai's businesses were making efforts to find new markets and make up for the shortage of orders from traditional markets.

Recently, Dong Nai organised a trade fair with Australian enterprises in the sectors of handicrafts, apparel - footwear, agricultural products and food.

So far, two enterprises from the province had signed contracts with Australian enterprises.

Besides the foreign market, businesses also needed to focus on the domestic market, experts said.

In recent years, foreign-invested enterprises accounted for more than 75% of the province's export turnover, with the remainder belonging to non-state and State-owned enterprises at 23% and 2%, respectively.

Key export items of non-state enterprises included textiles, footwear, wooden products, coffee and pepper.

Nguyen Thi Hoang, Vice Chairwoman of the provincial People's Committee, said since the beginning of the year, the province had strengthened trade promotion to connect foreign

enterprises in Dong Nai with domestic enterprises in the same field to cooperate and provide products for each other.

Many enterprises had found a source of domestic raw materials, which had reduced imports allowing Dong Nai's trade surplus to increase and its trade deficit to decrease.

It was expected that in 2022, Dong Nai would have a trade surplus of more than 5 billion USD, which would be a new record of the province.

3. Danish investors see potential in Vietnam

In the remarks at the Vietnam-Denmark Business Forum last month, Lina Hansen, Denmark's state secretary for trade and global sustainability, said that energy was a crucial deciding factor for investment in Vietnam.

The Grand Opening of the Denmark-Vietnam Sustainable Energy Summit marks the official beginning of business promotion activities during the royal visit in November. It will gather VIPs from both the Danish and Vietnamese sides, including high-ranking government officials and CEOs of big corporations. The high-level business delegation includes 36 Danish enterprises; of which there are 22 enterprises operating in the field of wind energy and 14 enterprises in the field of energy efficiency in November.

The visit provides an excellent opportunity for Danish companies to acquire and nurture business contacts in Vietnam and to meet with business representatives, organisations, public authorities.

Denmark has supported Vietnam's energy efficiency agenda since 2009. In 2017, Danish cooperation with Vietnam was consolidated under the Danish Energy Partnership Programme to support Vietnam in achieving its national commitment to the Paris Agreement.

Clear messages were delivered in the Vietnam Energy Outlook Report 2021, published in early June, which was developed in close collaboration between the Danish Energy Agency, the Embassy of Denmark, and the Vietnamese Ministry of Industry and Trade.

The report concluded that there is great potential for green transition in Vietnam, which by 2050 can become a net zero-carbon economy, as set out by Vietnamese Prime Minister Pham Minh Chinh during COP26 in Glasgow.

In the decade to come, Vietnam will need to supply the country's growing economy with sufficient and reliable power sources to meet the country's socioeconomic goals while at the same time reducing greenhouse gas emissions.

According to the latest draft of Vietnam's Power Development Plan VIII, the total installed capacity for power production is up to 146,000MW in 2030 and 388,000MW in 2045.

Several Danish original equipment manufacturers, wind developers, and suppliers are already present in Vietnam, and in 2020, the majority of new onshore wind turbines deployed were delivered by Danish companies.

4. Domestic firms supported to boost exports to China

In a recent interview granted to the Vietnam News Agency (VNA)'s resident correspondent in China, Lai said Vietnamese businesses have been updated on information about the Chinese market and policies and regulations of China in managing import and export of goods.

They have been also assisted in joining fairs, and other trade promotion and business connection events between the two sides, he added.

Before the outbreak of the COVID-19 pandemic, the office regularly organised Vietnamese business delegations to China to explore the market, seek

partners and attend China's major international fairs such as China International Small and Medium Enterprises Fair (CISMEF), China-ASEAN Expo (CAEXPO), China International Import Expo (CIIE), and China-South Asia Exposition and China Kunming Import and Export Fair.

Since the pandemic broke out, Vietnamese firms have been supported to participate in fairs online in combination with directly exhibited products through their import agents in China, and introduce goods on e-commerce platforms, Lai said.

The office have made every effort to protect the interests of enterprises doing business in China on the basis of the host country's legal regulations, Lai affirmed.

In the coming time, Lai said the office will coordinate with units of the Ministry of Industry and Trade, Vietnamese localities and business associations to

organise events to introduce fruits and farm produce in general and food and processed agricultural products of Vietnam in some Chinese localities; and programmes to connect Vietnamese firms and Chinese importers.

According to the official, China is the second largest export market of Vietnamese products. Vietnam can tap its advantages of diverse transport modes from road, sea, rail to air with the short time and competitive costs compared to many other countries in the region and the world, to promote exports to China.

In the coming time, China may relax its "zero-COVID" policy along with a strong recovery of the consumer market at the year-end, Lai said, noting that this is also an opportunity for Vietnam to boost exports to this market.

5. Singapore – potential market for Viet Nam: Official

Singapore is a promising market where Vietnamese products see both advantages and difficulties, Cao Xuan Thang from the Vietnam Trade Office in Singapore said in an interview granted to Vietnam News Agency.

Thang said that Singapore is a transit market of the world with a high level of openness.

With its major income coming from services, Singapore is almost completely dependent on imports of consumer goods, he said, noting that Singapore does not have any tariff and non-tariff restrictions or barriers on imported goods, except for the mandatory regulations on quality standards of international organisations.

According to Thang, Viet Nam's advantages include the capacity of supplying various kinds of goods, close geographical distance to Singapore, and being a member of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and the Regional Comprehensive Economic Partnership (RCEP) like Singapore.

Viet Nam and Singapore are the only two countries in the region to have comprehensive deals with

Europe and the UK, he added, holding that this is also an advantage for import-export activities between the two countries.

However, Thang underlined that Viet Nam has also faced a number of challenges and difficulties in the market, including fierce competition with other suppliers, and high marketing costs.

He said that over the years, the Viet Nam Trade Office has worked hard to support Vietnamese firms to approach the Singaporean market, especially through updating the policies and import-export situation of the country, guiding the companies to grasp export opportunities, and assisting them in introducing their products to Singaporean partners.

Last year, the office held a hybrid trade fair to promote Vietnamese products, he said.

After Singapore reopened its doors at the beginning of the year, the office collaborated with its partners to organise a conference to provide information on the market and products of Viet Nam to nearly 400 Singaporean firms.

6. Saline intrusion hits Mekong Delta's agro-fishery sector

Nguyen Phuong Lam, director of the Vietnam Chamber of Commerce and Industry (VCCI) in Can Tho City, said the Mekong Delta was facing worsening threats as floods and land subsidence had become increasingly severe.

Mekong Delta residents are facing pressure on multiple fronts in terms of cultivation and production, resulting in weak competitiveness in the market.

Nguyen Thanh Binh, an expert at Mekong Delta Development Research Institute, said that the delta heavily depends on agriculture, which makes up over 43% of the economies of some provinces in the delta. Still, agriculture is tied to weather, leaving farming dependent on weather patterns.

The delta's economic growth was higher than that of the whole country until 2015. Since then, the historic saline intrusion in 2015 and 2016 caused losses of US\$300 million to the Mekong Delta in the agriculture and fishery sector.

World Resources Institute's research showed that Vietnam's GDP rate had dropped by 2.3% annually due to flooding. As of September 2022, a loss of VND9,000 billion has been realized due to natural disasters.

The GDP rate will risk a 6% drop, over even more in agriculture in the Mekong Delta, if Vietnam does not intervene.

Besides, material areas and supply partners of businesses are dealing with challenges attributed to saline intrusion, prolonged heat and water scarcity.

Given the situation, Nguyen Thi Phuong Linh, vice director of Can Tho VCCI, suggested that enterprises should proactively strategize to adapt to the climate crisis and implement hi-tech advances to boost productivity in production.

7. Central bank urges compliance with forex rules

The central bank's city branch also requested domestic banks and foreign bank branches to publicly announce their exchange rates between the Vietnam dong and the U.S. dollar.

The authorities will inspect foreign exchange agents to ensure they comply with the prevailing regulations.

On October 17, the central bank widened the trading band of the Vietnamese dong amid the strong rise of the U.S. dollar against many other currencies.

Corporate News

8. PLX: BOD resolution dated October 21, 2022

↓ -6.98%

The Board resolution dated October 21, 2022, the BOD of Viet Nam National Petroleum Group approved the following contents:

1. Approved the holding of Extraordinary General Meeting 2022:

- Record date: November 10, 2022
- Meeting time: expected at 8:30, December 06, 2022
- Meeting venue: VCCI Tower, No. 9 Dao Duy Anh, Phuong Mai ward, Dong Da district, Ha Noi.
- Meeting form: online.

- Content:

- + Business plan for the period 2021-2025;
- + Other issues (if any).

2. Approved the plan to pay cash dividend for 2021:

- Record date: November 10, 2022
- Exercise ratio: 12%/share (1,200 dong/share)
- Payment date: November 29, 2022.

9. PC1: Record date for 2021 stock dividend payment

↓ -6.86%

On October 21, 2022, the Hochiminh Stock Exchange issued an Announcement No.1920/TB-SGDHCM about the record date of Power Construction Joint Stock Company No 1 as follows:

- Ex-right date: November 01, 2022
- Record date: November 02, 2022
- 1. Reason & Purpose: to pay stock dividend for 2021.
- 2. Content:
 - Expected issue volume: 35,273,947 shares
 - Exercise ratio: 100:15 (Those who own 100 shares will receive 15 new shares.)

- Plan to deal with fractional shares: The distributed shares will be rounded down to units, the fractional shares (if any) will be cancelled.

- For example: at the record date, shareholder A owns 08 shares. With 15% performing ratio, the shareholder A will receive: $08 * 15\% = 1.2$ shares. According to rounding policy, the shareholder A will receive 01 new share and the fractional shares of 0.2 share will be cancelled.

- Place of implementation:

+ Shareholders whose shares have been deposited: at the securities firms where the shares have been deposited.

+ Shareholders whose shares have not been
deposited: at Power Construction Joint Stock
Company No 1.

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