



VIETNAM DAILY NEWS



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Market Analysis

1. Market likely to continue under selling pressure

The Vietnamese stock market continued to undergo a bearish week as many realty stocks faced selling force with large volumes. The only positive point was the strong return of foreign investors with five consecutive sessions of net buying.

Analysts warned that the biggest risk now is the forced liquidation of some stocks of the VN30 basket.

On the Ho Chi Minh Stock Exchange (HoSE), the VN-Index ended last week at 954.53 points, while the HNX-Index on the Ha Noi Stock Exchange (HNX) traded at 189.81 points.

For the week, both benchmark indices lost 4.27 per cent and 7.2 per cent, respectively. Of which, the VN-Index fell for the second week in a row.

The VN-Index breached below the bottom of 958 points and hit the lowest level since the beginning of the year at 947.2 points last Thursday. The market only recovered slightly in the last trading session of the week thanks to the strong purchasing force from foreign investors after the news that US inflation cooled down.

The market's liquidity increased slightly with the total trading value on all three exchanges reaching over VND11.9 trillion per session (US\$480 million), a gain of 1.5 per cent over the previous week.

In contrast to the significant selling force by domestic retail investors, foreign investors returned to the market, with a net buying value on HoSE of more than VND4.1 trillion. Similarly, they net bought VND352 billion on the northern bourse.

The market was also cushioned by news that Fubon ETF, a fund of Taiwan (China), poured capital into the domestic market for three days, from November 7 to November 9.

Mirae Asset Vietnam Securities Company said that while the global market posted a bullish week, with the S&P 500 index rising sharply over 6 per cent, the domestic market experienced a bumpy road. The opposite trend of the Vietnamese stock market to the world was due to the risk of liquidity as some pillar real estate stocks were weighed by selling pressure, the securities firm said.

With five consecutive sessions hitting the floor prices last week, Novaland (NVL) dipped 25 per cent for the week, causing a loss of 7.3 points on the VN-Index.

The break below the support zone of 960 - 980 points resulted in higher downside risk for VN-Index. According to Mirae Asset Securities Vietnam, the levels were considered an important defence in the short term.

The area around 900 is a technical and psychological zone, but the biggest problem of the market right now is the risk of forced selling in some stocks in the VN30 basket. The short-term technical signal is at a negative level.

Similarly, VNDIRECT Securities Corporation said that the country's stock market still experienced a less positive trading week as many real estate stocks continued to face selling force with large volumes.

The real estate group was under great pressure of forced liquidation with many stocks depreciating over 50 per cent, and even 70-80 per cent from the peak. Difficulties in accessing capital through credit channels and corporate bonds of the real estate businesses were the main reasons for the sharp declines.

Amid the negative market movements, the cash flow tended to shift to defensive stocks such as energy, electricity, and consumer goods to seek

shelter. These stocks included PV Gas (GAS) and Masan Group (MSN), both increased by 2.6 per cent, while PV Power (POW) surged 8.2 per cent.

VNDIRECT said that last month's CPI data in the US increased lower than expected, which is positive information for the global financial market. Investment cash flow tends to shift to risky assets as the US government bond yields and the dollar index were lower.

This was also reflected in the strong net buying of foreign investors on the Vietnamese stock market in the last trading week and partly offset the selling and margin calls of domestic investors.

Selling pressure from domestic investors would remain strong this week, especially before and after the derivative maturity session last Thursday. The VN-Index would retest the nearest support zone at 940 - 950 points and foreign capital inflows would be an important support for the market this week, said VNDirect.

Macro & Policies

2. More efforts needed to accelerate public investment disbursement: PM

In the document, the Government leader noted that in the remaining months of this year, amidst more complicated developments of the world situation, the Vietnamese economy is forecast to face a lot of difficulties and challenges, especially in the financial and monetary market, and import-export activities.

To maintain the recovery momentum and gain an economic growth rate of about 8% in 2022, administrations at all levels and sectors need to focus on accelerating the disbursement of public investment, considering this as a driving force for growth and a key political task, thus contributing to promoting the effective coordination between fiscal, monetary and other macroeconomic policies, in order to stabilise the macro economy, control inflation, and promote growth in the last months.

This year, ministries, sectors and localities are determined to disburse 95-100% of public investment sourced from State budget. However, as of October 31, only 51.34% of the capital had been disbursed.

To achieve the set target, the Prime Minister asked for more drastic, concerted, prompt and effective measures, with a focus placed on settlement of site clearance, compensation and resettlement support in a timely and correct manner, ensuring compliance with the law, and harmonising the interests of the State and people.

It is necessary to strengthen discipline in public investment disbursement, and prepare all the best conditions to quickly complete investment procedures, he stressed.

3. SBV tells commercial banks to support fuel traders

SBV stressed the importance of fuel as a key commodity with direct and significant influence on the country's macro-economic stability and people's everyday lives, said the document.

Since the beginning of the year, SBV has been working closely with commercial banks to extend credit lines for fuel traders and to grant them favourable exchange rates.

As the global oil price continued to be volatile and the market facing disrupted supply, the Government of Viet Nam has made it a high priority to ensure a stable supply for the domestic market.

The central bank was to implement financial support policies to best support fuel traders in accordance with existing regulations. Traders were advised to stay in close contact with commercial banks to plan ahead for their financial needs.

Meanwhile, the banks were to conduct comprehensive reviews to stay on top of the situation with an objective to streamline the process to make sure traders' financial needs are met in a timely manner.

The central bank expects monthly reports from commercial banks on how and when they plan to support traders, including both retailers and importers who were encouraged to report to the SBV should they experience issues or delays.

During a discussion at the National Assembly, Minister of Industry and Trade Nguyen Hong Dien said support from the central bank was to play a crucial role in boosting traders' financial capacity and easing the ongoing fuel shortage across the country.

The National Assembly (NA) has tasked Dien and his ministry with coming up with a plan to establish a

stable supply of fuel and to efficiently operate the country's fuel network.

Earlier last month, Minister of Finance Ho Duc Phoc proposed giving the Ministry of Industry and Trade (MoIT) full authority to adjust fuel prices, instead of the current joint authority between MoIT and the Ministry of Finance. Phoc said it would help streamline procedures and increase efficiency in fuel management.

Some industry experts voiced their support for the minister's proposal, saying it may put an end to the blame trading recently between the two ministries. In addition, MoIT which currently oversees fuel

trading and retail activities was in a much better position to come up with a price adjustment mechanism that balances the rights and benefits of traders and consumers.

"The proposal reduces the workload for the Ministry of Finance. In addition, it's only logical for ministries which are in charge to adjust prices of certain commodities," said NA Deputy Tran Van Lam, a member of the NA's finance and budget committee.

A number of fuel stations have been reported to close in recent weeks with traders citing numerous difficulties in securing stock and suffering heavy financial losses since the beginning of the year.

4. Firms urged to make greater efforts to fulfil year-end export target

Despite posting a positive export turnover over the past ten months with a trade surplus reaching a record level, businesses are still facing market fluctuations while transportation costs have remained very high since the outbreak of the COVID-19 pandemic, trade experts have said.

Than Duc Viet, General Director of Garment 10 Company, told baodautu.vn that there had been a decline in orders for the remaining months of 2022 and even the first half of 2023.

Instead of chasing large-scale orders, Garment 10 focused on completing small-scale orders but could earn high turnover as they would not be easy for many firms due to their complexity, Viet said.

According to Cao Huu Hieu, General Director of Vietnam National Textile and Garment Group (Vinatex), Vietnam and the world economy were still facing many challenges in the fourth quarter.

Meanwhile, yarn demand and selling prices were still low and many yarn enterprises failed to have orders for November and December.

At the same time, the garment industry encountered more difficulties. Most garment companies saw orders for November and December at about 35-50% lower than their production capacities. The firms had also faced fierce competition in price.

The director suggested that businesses should base on the situation of domestic and foreign markets to implement business programmes and plans for next year.

They should also draw up measures to respond to negative market situations as well as unpredictable fluctuations of the financial market and interest rates, he told baodautu.vn.

As an exporter of food materials, ASIA Group said difficulties in business and production were inevitable at the end of 2022 and 2023. Specifically, the appreciation of the US dollar would have adverse effects on imports and the supply chain would likely be disrupted.

In that context, applying high technology to production would help businesses optimise productivity and improve efficiency, Director of ASIA Group Le Nguyen Doan Duy told baodautu.vn.

The latest report from the General Statistics Office showed that the country's trade surplus reached 9.4 billion USD over the past ten months, compared to a modest 630 million USD in the same period last year.

The 10-month foreign trade stood at about 616.24 billion USD, up 14.1% from the same period last year.

That included 312.82 billion USD in exports, rising 15.9%, with 80.36 billion USD coming from the domestic sector (up 13.4%) and 232.46 billion USD from the foreign-invested sector (up 16.8%).

Thirty-two commodities recorded export revenue of over 1 billion USD each during the period, accounting for 92.8% of total overseas shipments. Among them, six brought home over 10 billion USD each, making up 64.1%.

Meanwhile, Vietnam imported about 303.42 billion USD worth of goods, increasing 12.2% year on year, with the domestic sector accounting for 105.28 billion USD (up 12.5%) and the foreign invested sector, 198.14 billion USD (up 12%).

Forty-four commodities posted import value of over 1 billion USD each, accounting for 93% of the total imports. Four of them saw this figure at over 10 billion USD each, accounting for 52.7%, statistics showed.

Between January and October, the US was the largest importer, purchasing some 93.4 billion USD

worth of Vietnamese goods. China ranked first among exporters when shipping 100.7 billion USD worth of goods to Vietnam.

Vietnam is on track to see a trade surplus of 10 billion USD this year despite enduring global market uncertainties and fluctuations, Minister of Trade and Industry Nguyen Hong Dien said, adding that this is certainly a spectacular achievement for Vietnam this year.

He attributed these positive results to solutions the Government, ministries, and especially the business community have implemented to stimulate consumption demand and connect product consumption outlets in order to promote trade exchanges.

In the future, priority would be given to promoting exports, strengthening appropriate import management, and ensuring a harmonious and sustainable trade balance beside to promoting official exports in association with industry restructuring, Dien said.

5. HCMC awaits green light for Can Gio transshipment port project

The Saigon Port representative said at a recent seminar on the master plan for seaport development that the tentative site in Can Gio is convenient for developing a major international transshipment port.

Upon the complaint, Nguyen Xuan Sang, Deputy Minister of Transport, said that the prime minister had approved the master plan before the ministry received the proposal for Can Gio.

The ministry will now have to wait for approval from the prime minister over the detailed planning of seaport groups and will then consider inserting the Can Gio seaport proposal to the detailed planning.

Saigon Port had earlier sent the HCMC government a US\$6-billion project to develop Can Gio international transshipment port with a capacity three times higher than that of Cat Lai Port.

As per the proposal, the port would be constructed with a three-kilometer wharf able to accommodate vessels of 20,000 TEUs. The port would have a designed capacity of six million TEUs of cargo, first as a transshipment point for the Mediterranean Shipping Company (MSC).

By 2040, the wharf would stretch 6.8 kilometers to accommodate vessels of 24,000 TEUs, and have annual cargo throughput of 18 million TEUs.

Saigon Port and MSC will continue to present the document to ministries seeking approval from the Government.

With a prime location at the Cai Mep rivermouth in close proximity to international maritime routes, Can Gio Port can accommodate large vessels, increase competitiveness with regional countries and boost the city's economy, according to Saigon Port.

6. Viet Nam ranks 76/193 countries in online service index

The latest statistics of the Ministry of Information and Communications (MIC) revealed that all ministries and branches have issued resolutions, programmes, plans or action plans on digital transformation.

All ministries, branches and localities have consolidated and established their own steering committees on digital transformation.

To date, the percentage of eligible public services delivered online at level 4 is 97.3 per cent; the rate of online public services generating dossiers is 67.8 per cent, twice as much as in the same period in 2021.

The online processing rate was 43.2 per cent, up 14.57 per cent over the same period.

In addition, the development of digital platforms is considered a breakthrough solution to accelerate the digital transformation process.

To date, more than 50 digital technology platforms have been launched to serve the national digital transformation on all three pillars of digital government, digital economy and digital society.

The Ministry of Information and Communications has also proactively provided direct support to localities to provide full online public services.

Statistics recorded from the automatic monitoring and measurement system of the Ministry of Information and Communications show that the three ministries of Industry and Trade, Education and Training, and Information and Communications lead in the percentage of online public services, with 100 per cent, 100 per cent and 97.67 per cent, respectively, from the beginning of this year to the end of August.

Regarding the percentage of applications processed online, the Ministry of Industry and Trade, the Ministry of Education and Training, and the Ministry of Finance have the highest online processing rate, reaching 99.99 per cent, 99.58 per cent and 91.41 per cent, respectively.

In the group of localities, Long An, Hai Duong, Tien Giang, Hoa Binh and Bac Giang are the provinces with the highest percentage of online public services, ranging from over 90 per cent to 96.47 per cent.

7. RCEP to help boost Vietnam's engagement in supply chains: Report

Luong Van Khoi, Deputy Director of the NCIF under the Ministry of Planning and Investment, cited the report as saying that the RCEP will generate many positive impacts on regional economies, helping raise the region's income by some 0.6% by 2030, equivalent to 245 billion USD each year, and create 2.8 million jobs annually.

Recent studies also pointed out that Vietnam will benefit much from this agreement, he said, elaborating that the World Bank forecast the country's GDP will increase by about 4.9% and exports 11.4% by 2030.

Apart from the commitments of a traditional free trade agreement (FTA), the RCEP also includes those on e-commerce, telecommunications, competition,

small- and medium-sized enterprises (SMEs), and public procurement, among others.

The most important thing may be the harmonisation of rules of origin, which enables the accumulation of origin, creating many chances and benefits for intra-bloc exports, Khoi noted.

The report said due the FTAs previously signed among many member countries, some groups of commodities like electronic components, textiles and garments among RCEP members have already benefited from very low tariffs, so this deal's impacts are inconsiderable.

However, tariffs have been reduced for some goods whose supply chains Vietnam has engaged deeply into such as textiles, garments, automobiles, and some electronic products. The application of consistent rules of origin under the RCEP will help the country boost its participation in regional supply chains.

The shift of supply chains to Vietnam that has already been taking place thanks to bilateral FTAs or within the ASEAN Plus 6 framework will be further

promoted by the RCEP. Foreign direct investment (FDI) inflows are also expected to grow even more when major investors in the region are stepping up specialisation to develop supply chains, according to the report.

It also pointed out that the RCEP will provide opportunities for Vietnam to improve added value and productivity by boosting market expansion, attracting investment to upstream manufacturing sectors, and enhance specialisation in the industries where Vietnam has strengths. That will in turn attract more FDI under supply chains to the country and help domestic enterprises further engage in global chains.

The RCEP was signed in 2020 between the Association of Southeast Asian Nations (ASEAN) and five partners, namely Australia, New Zealand, China, Japan, and the Republic of Korea. Taking effect since January 1, 2022, it is the largest FTA at present, covering 30% of the global GDP.

Under this agreement, about 90% of the tariff lines will be eliminated within 20 years since it came into force.

Corporate News

8. VIC: VinFast to showcase four EV models at Los Angeles Auto Show 2022

↑ 2.45%

At the show, VinFast will display four all-electric SUV models, VF 6, VF 7, VF 8, and VF 9 which represent the most popular segments B-C-D-E. For the first time, US customers will experience the interior and exterior design details of the VF 6 and VF 7 models crafted by Torino Design.

Those in California will also be able to experience a VF 8 ride-along at the test track area at LAAS 2022. The activity affirms VinFast's rapid development of the VF 8 model when it debuted as a show car at LAAS 2021.

Vingroup Vice Chairwoman and VinFast Chairwoman Le Thi Thu Thuy said returning to LAAS 2022 one year after revealing its EV brand, VinFast wants to show global audiences that the future of mobility is about to become a reality, and

VF 8 vehicles are about to be delivered to customers all over the world.

“With four electric SUVs across all segments, flexible sales policies – with batteries included or with a battery subscription – VinFast offers diverse options to consumers, helping them easily access high-quality electric vehicles, reasonable prices and excellent services to move toward a greener and more sustainable future,” she said

A year after revealing the global EV brand, VinFast has received the support of customers around the world with more than 65,000 reservations for the VF 8 and VF 9 to date. It began delivering VF 8 vehicles to customers in Vietnam in September 2022 and is about to ship thousands of vehicles to international markets which are anticipated to arrive by the end of this year.

9. MSN: HSBC helps Masan Group access US\$600-million loan facility

↑ 6.79%

The loan aims to support Masan’s strategic long-term objectives and general corporate purposes.

HSBC acts as a joint mandated lead arranger, underwriter and bookrunner for this transaction. The success of the transaction underscores HSBC’s ability to provide an underwritten financing solution despite prevailing market uncertainty and macroeconomic headwinds.

The five-year facility also marks a syndicated loan with the largest and longest tenor Masan has ever raised. Despite several challenges, the transaction drew an overwhelming response from the market, attracting 37 lenders during syndication. The amount was upsized to US\$600 million from the initial target of US\$375 million.

“We are delighted to contribute to Vietnam’s consumer market development through this breakthrough deal. Despite the uncertain global environment, we have successfully arranged the fully underwritten transaction to fuel Masan’s passion for uplifting the lives of Vietnamese consumers,” said Stephanie Betant, head of Wholesale Banking at HSBC Vietnam.

This syndication demonstrates investors’ strong confidence in Masan and Vietnam’s economic growth potential, in addition to the recent credit rating upgrade by Moody’s and S&P.

Particularly, it reflects the country’s resilient post-Covid recovery amidst external challenges. According to a recent report by HSBC Global Research, Vietnam will soon enter the list of the

largest consumer markets globally. Indeed, Vietnam is set to become the tenth-largest global consumer market in 2030, overtaking its Turkish, Thai and British counterparts. As consumption is

getting bigger and better in Vietnam, HSBC will continue to support Vietnamese businesses like Masan.

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