



# VIETNAM DAILY NEWS



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## Market Analysis

### 1. Market closes the week on a positive note

Shares finished higher on Friday and marked a weekly gain, thanks to bargain-hunting demand from investors after recent losses to nearly 900 points.

On the Ho Chi Minh Stock Exchange (HoSE), the VN-Index steadied in the last trading session of the week after losing 24.7 points, or 2.55 per cent, in the morning trade due to strong selling pressure.

It finished the day at 969.33 points, an increase of 0.07 points, or 0.01 per cent.

The market's breadth was positive with 233 stocks adding points on the southern bourse, while 104 stocks inched lower.

Liquidity also slightly improved, of which matching value on HoSE rose more than 1 per cent to nearly VND11.52 trillion (US\$464.3 million), equal to a matching volume of 834 million shares.

The big correction in the morning session triggered bottom-fishing demand, helping the index to pare the downtrend and rebound in the afternoon trade. It also received support from the VN30 stocks. Accordingly, the 30 biggest stocks tracker on HoSE gained 0.16 points, or 0.02 per cent, to 971.2 points.

Statistics from the financial website vietstock.vn showed that Hoa Phat Group (HPG) contributed the most to the bullish trend, up nearly 6 per cent.

It was followed by Vingroup (VIC), Vietnam Rubber Group (GVR), Vinamilk (VNM) and Eximbank (EIB). These stocks were up at least 1.5 per cent, with EIB and GVR even hitting the maximum daily gain of 7 per cent.

Gains were capped by lingering selling force in some pillar stocks. Of which PV Gas (GAS) was the biggest loser, down 4.51 per cent. The negative performance is likely due to sharp falls in international oil prices as markets worry that the US interest rate policy and rising COVID cases in China might weaken fuel demand.

Many other sticker symbols posted great losses yesterday, such as Novaland (NVL), Becamex (BCM), Sabeco (SAB), Masan Group (MSN), Vietinbank (CTG), Techcombank (TCB), and Vincom Retail (VRE). All fell in a range of 1.1-7 per cent.

The HNX-Index on the Ha Noi Stock Exchange (HNX) also finished the week higher, up 3.01 points, or 1.6 per cent, to 190.87 points.

During the session, more than 108.1 million shares were traded on HNX, worth over VND1 trillion.

Meanwhile, foreign investors were net buyers on the market with a value of VND10.81 billion. Of which, they net sold VND25.09 billion on HoSE, while net bought VND35.9 billion.

## Macro & Policies

### 2. Prime minister establishes real estate task force

The prime minister has issued Decision No.1435/QĐ-TTg to establish a task force to review and propose solutions to deal with problems during the development of real estate projects.

The task force, led by Minister of Construction Nguyen Thanh Nghi, is in charge of reviewing long-delayed projects and urging investors to accelerate their progress in Hanoi, Ho Chinh Minh City, and some other localities.

The HoREA asked the Ministry of Construction to propose the selection of 10 outstanding real estate groups to focus on dealing with their problems.

After reviewing projects, they will propose measures to solve those problems after consulting with the leaders of central state agencies, People's Committees of related provinces, and experts in the field. In case the obstacles exceed their authority, they will report to higher levels.

On November 8-9, the Government Office and some ministries organised a meeting with large real estate developers in Hanoi and Ho Chi Minh City. At the meeting, they proposed the establishment of a task force to support them in resolving the difficulties of some outstanding projects.

The representative of the Ho Chi Minh City Real Estate Association (HoREA) proposed nine groups of solutions to rescue the market, one of which is to

provide credit for the real estate market via bank credit and corporate bond channels.

Furthermore, the HoREA asked the Ministry of Construction to propose the selection of 10 outstanding real estate groups to focus on dealing with their problems. The action is expected to create trust and be a strong push for the market.

The real estate sector is an important component of the national economy, currently contributing 11 per cent of Vietnam's GDP. It also has organic relationships with other fields and creates many jobs.

The task force combines:

Nguyen Thanh Nghi, Minister of Construction

Luong Tam Quang, Deputy Minister of Public Security

Nguyen Cao Luc, Deputy Head of the Government Office

Nguyen Duc Chi, Deputy Minister of Finance

Le Minh Ngan, Deputy Minister of Natural Resources and Environment

Nguyen Thi Bich Ngoc, Deputy Minister of Planning and Investment.

### 3. Vietnamese firms making relatively good use of EVFTA: survey

The survey of enterprises' awareness of the EVFTA was conducted by the Centre for WTO and International Trade under the Vietnam Chamber of Commerce and Industry (VCCI).

It found that nearly 94 per cent of enterprises in Viet Nam had heard or known about the EVFTA at different levels, which is the highest rate among the FTAs signed by the country at present. Three out of

10 businesses have relatively good knowledge and one in 10 have very good knowledge of the commitments related to business activities under the EVFTA.

Nguyen Thi Thu Trang, director of the WTO and International Trade Centre, said the benefits provided from the deal should be big enough to attract attention from local enterprises. Attention

varied across different sectors, but this FTA might be generating the most economic benefits.

According to the survey, four out of 10 enterprises reported they had gained from the EVFTA, especially preferential tariffs for exports and imports.

The majority of respondents also said they were benefiting from new opportunities under the EVFTA in terms of forming partnerships, receiving more orders, and gaining more revenue and profits from the engagement in supply chains to serve trade with the EU.

About 17 per cent of enterprises said they had benefited from preferential tariffs for at least one batch of exports under the EVFTA, and 16 per cent gained this benefit for import batches.

However, up to 59 per cent of enterprises also reported they hadn't benefited from the agreement

over the last two years, explaining that they hadn't made any transactions with EU partners during the period to capitalise on the deal. Other reasons included businesses' limited capacity or obstacles related to the agreement in the EU and Viet Nam.

Meanwhile, 4.2 per cent of firms noted they had suffered losses under the deal, mostly in terms of increased compliance costs and greater competition pressure from EU imports.

Trang said with nearly 20 per cent of enterprises having made use of the EVFTA in the first two years of enforcement, they had gained momentum for continued capitalisation of the EVFTA after the EU's Generalised System of Preferences (GSP) expires. If businesses proactively learn about EVFTA-generated opportunities, they will have a smooth transition from the GSP to the EVFTA.

#### 4. PM hints at credit growth target expansion

The information was given during a meeting with voters of PM Chinh and the National Assembly deputies delegation of Can Tho City in the Mekong Delta on November 17.

PM Chinh called for endeavors to accelerate public investment, particularly with the private-public partnership formats, along with improving the performance of State-owned firms.

The head of the Government previously asked banks and financial institutions to assist in business operations and reduce red tape.

The State Bank of Vietnam (SBV), the nation's central bank, said in September that the country's 14% credit growth goal for 2022 remained in place.

Before 2011, the country's credit growth was 30%. Still, the SBV has sought to maintain it at 12-14% over the last decade, the local media reported.

According to SBV Deputy Governor Pham Thanh Ha, the SBV is working to promote economic recovery in light of the tightening financial markets and global runaway inflation.

The SBV has reaffirmed its plans to foster growth while embracing a prudent approach in the face of inflation risks.

#### 5. Textile enterprises face difficulties in 2023

According to a report by the Ministry of Industry and Trade released in early November 2022, the prospect of orders in Vietnam's textile and garment sector for the fourth quarter of 2022 and the first six months of 2023 is not positive because many major

export partners are facing high inflation and high unsold inventories.

The number of orders placed in the fourth quarter of 2022 fell 25-50 per cent from the second quarter of 2022.

Luong Van Thu, general director of Dap Cau Garment Company, in the northern province Bac Ninh, said that it is extremely difficult for enterprises to plan business for 2023 in the context of global market fluctuations. “It’s necessary for enterprises to closely monitor world economic situation, especially the major export markets of the textile and garment sector, to make appropriate business plans,” he said.

A representative of a leather and footwear business in the southern province of Binh Duong shared that the number of orders in November and December decreased by 30 per cent compared to the average number of the third quarter of 2022, even though difficulties are forecasted to last into next year.

Additionally, processing orders are also squeezed in price by about 15 per cent while input costs continue to increase.

Inflationary pressures in many major economies are posing risks to the recovery, even causing the global recession. In October, the International Monetary Fund predicted global growth will slow to 2.7 per cent next year, 0.2 percentage points lower than its July forecast.

The tightening monetary policies in many major economies have reduced the demand for goods, impacting the production and export of many countries, including Vietnam.

With the large openness and deeper international integration, Vietnam is significantly affected by fluctuations in the world economy. Building careful business plans is a suitable solution for enterprises to adapt in the context of the volatile market.

A representative of Dap Cau Garment Company said that the company has approved the business plan for next year with several growth scenarios. But he said the company is currently confused by the unpredictable market situation.

Truong Van Cam, general secretary of the Vietnam Textile and Apparel Association (VITAS), said that in the context of a decline in textile orders due to the decrease in purchasing power of the US and EU markets, it is time for enterprises to restructure, invest in greening models, catching up with the increasing trend of applying sustainable development standards in the world’s textile market.

VITAS also proposed two export scenarios for 2023. In the first, if difficulties in Q4/2022 continue, the garment and textile sector may reach an export turnover of \$47-48 billion for the whole year, up 8 per cent on-year. Meanwhile, in the second scenario, in the event of difficulties lasting until mid-2023, the figure may hit \$46 billion, a slight on-year rise..

## 6. Vietnam, US eye balanced, sustainable trade

Highlighting bilateral trade growth, Deputy Minister of Industry and Trade Do Thang Hai said the trade shot up 248-fold to nearly 113 billion USD in 2021, from 450 million USD in 1995 – when the countries normalised diplomatic ties, despite the prolonged and complex COVID-19 pandemic and disrupted supply chains. The US has become the second largest trading partner of Vietnam and the biggest importer of goods from the Southeast Asian nation.

Meanwhile, the North American country has continually been one of the top foreign investors in

Vietnam for many years. With nearly 1,150 operational projects worth over 10.3 billion USD, it now ranks 11th among the 141 economies investing here.

Over the past years, the enhancement of ties with such US states as Oregon, West Virginia, Maryland, Virginia, and California has helped set up comprehensive cooperation frameworks, facilitate trade and investment activities, increase sharing information about business opportunities, and assist projects and operations of the two countries’ enterprises, he added.

Echoing the view, Pamela Phan, Deputy Assistant Secretary for Asia at the US Department of Trade, said the two countries' relations are enjoying vigorous growth in all spheres, with economy - trade playing the central role. Both public and private sectors of the US are ready to strengthen ties with Vietnam in new initiatives and potential areas that match the current sustainable development trend like digital economy, clean energy, climate change fight, health care, education, and financial services.

However, Hai also noted considerable challenges to Vietnam, pointing out an increase in the US's trade remedy investigations into Vietnamese goods and the US yet to recognise Vietnam as a market economy, which has caused great losses to the country in trade remedy probes.

The Ministry of Industry and Trade hopes that aside from traditional cooperation areas, the two

countries will actively discuss ways for adapting to the shift of global supply chains, new policy orientations of the US, potential fields, and opportunities for promoting bilateral economic and trade links, thereby helping create momentum for the two business circles to expand export and import markets, and boost balanced and sustainable trade and investment, he went on.

According to US Consul General in HCM City Susan Burns, Vietnam has become a key link in supply chains and important to the US economy.

Aside from traditional chain connectivity in electronics, cotton, wood, and agricultural products, the countries also hold numerous chances for expanding partnerships to new areas like clean energy, infrastructure, health care, and especially digital economy, she added.

## 7. Food production boosted in preparation for shopping spree

According to an analysis of Mordor Intelligence Inc, a leading market research company, the Vietnam food service market is projected to register a compound annual growth rate of 8.65% from 2021 to 2026.

The forecast shows a positive outlook for the industry amid widespread economic distress caused by Covid-19 and input price upheavals. Still, there is considerable scope for growth in the sector.

Vinh Thanh Dat Food Corporation reported that it had produced a massive amount of egg products, enough to meet the market demand even if it surged by 50%. The company predicted that egg prices would not rise in the coming time.

Ly Kim Chi, chair of the Food and Foodstuff Association of HCMC (FFA), said most enterprises in the industry had stored goods for adequate supply until February 2023. However, they accumulated stocks for just three months instead of six as usual due to a lack of capital, she added.

In a recent report, FFA projected that the demand for food products would soar by 30% in late 2022.

Statistics from the General Statistics Office of Vietnam showed that the food service market accounted for nearly a fifth of the manufacturing and processing sector, the highest among other industries.

## Corporate News

### 8. VIC: Vietnamese carmaker receives big order from US service firm Autonomy

↑ 1.55%

This is VinFast's largest corporate order to date, and one of Autonomy's largest electric vehicle orders, affirming the acceptance by the international market of the Vietnamese automaker.

In August 2022, Autonomy ordered 23,000 electric vehicles across 17 different global automakers, including VinFast, to operate its subscription services. At that time, Autonomy planned to order 400 VF 8 and VF 9 vehicles and now has officially increased the order to more than 2,500 units.

Customers can learn about VinFast vehicles at any of VinFast's six stores in California. Those interested in subscribing a VinFast through Autonomy can sign up via Autonomy's mobile app and receive the car directly from Autonomy's AutoNation pickup locations in partnership with AutoNation, Inc. (NYSE: AN) or have it delivered to their home.

Le Thi Thu Thuy, Vice Chairwoman of Vingroup and Chairwoman of VinFast, said: "Bringing the VF 8 and VF 9 to Autonomy's EV subscription fleet will give consumers yet another way to experience our

brand and discover the benefits of our premium smart EVs."

"We are excited to add VinFast to our subscription lineup and help raise U.S. consumers' interest and awareness of VinFast and their luxury electric vehicles through Autonomy's car subscription. Autonomy's affordable month-to-month model makes it much easier for consumers to make the switch to an electric vehicle and to consider new brands and models on the market," said Scott Painter, Founder and CEO of Autonomy.

In addition to VF 8 and VF 9, VinFast also showcases VF 6 and VF 7 models presented in Segments B and C at LA Auto Show 2022. VinFast has already started delivering the VF 8 to Vietnamese customers, and the VF 8 and VF 9 are currently open for global reservations.

VinFast also offers flexible sales options for customers purchasing vehicles with batteries or with a battery subscription programme. VinFast's EVs are also warranted for up to 10 years — one of the best warranty policies in the market.

### 9. VSH: Result of bond repurchase before maturity

↑ 1.28%

On November 16, 2022, Vinh Son - Song Hinh Hydropower Joint Stock Company reports the

result of the repurchase of bonds before maturity as follows:

Unit: million dong

No.	Bond code	Par value (VND)	Term	Issue date	Maturity date	Issue volume (at par value)	Outstanding volume (at par value)	Repurchase volume (at par value)	Execution date (at par value)	Remaining volume after the repurchase (at par value)
1	VSH_BOND_2019_2	1,000	7	11/08/2019	11/08/2026	100,000	56,000	12,000	11/15/2022	44,000
2	VSH_BOND_2019_3	1,000	7	12/27/2019	12/27/2026	200,000	120,000	38,000	11/15/2022	82,000

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