



# VIETNAM DAILY NEWS



November 22nd, 2022

Table of content

## Table of content

1. Large-cap losses weigh on VN-Index
2. Network operators encroach on camera market
3. Bac Lieu looks to become nation's renewable energy center
4. Bac Giang invests more in infrastructure for agricultural production
5. European firms interested in various sectors in Central Highlands: EuroCham leader
6. Vietnam's exports to Germany up 30.5% in 10 months
7. Coffee export faces pressure from global uncertainties after record year
8. CII: SSC rejects CII's share issuance plan
9. VGC: Viglacera among top 22 ceramic tile producers globally

## Market Analysis

### 1. Large-cap losses weigh on VN-Index

The stock market ended mixed, with the VN-Index reversing last week's rallies to finish lower due to losses in pillar stocks.

On the Hồ Chí Minh Stock Exchange (HOSE), the benchmark VN-Index declined by 8.68 points, or 0.9 per cent, to 960.65 points. Last week, it gained 1.55 per cent.

The market's breadth remained positive as more stocks increased, but bigger losses in large-cap stocks caused the index to fall down. The VN30-Index, tracking the 30 biggest stocks on the southern market, decreased by 14.31 points, or 1.47 per cent, to 956.89 points.

In the VN30 basket, up to 20 stocks slid with two stocks hitting the floor price, while seven edged higher. And three stocks stayed flat.

Strong rallies last week triggered profit-taking activities in investors and weighed on the market.

Liquidity declined compared to the previous session, of which matching value on HOSE dipped nearly 36 per cent to VND7.4 trillion (US\$298.4 million), equivalent to a matching volume of 523 million shares.

Statistics from finance website vietstock.vn showed that the banking and real estate industries led the market's bearish trend. Specifically, Vietcombank (VCB) was the biggest loser

yesterday, with a decrease of 1.96 per cent in market capitalisation. It was followed by Vingroup (VIC), PV Gas (GAS), Vinhomes (VHM) and Novaland (NVL), down in a range of 2.44-7 per cent.

Other big names posting poor performance were Vietinbank (CTG), BIDV (BID), Tech-combank (TCB), Sacombank (STB), FPT Corporation (FPT), Mobile World Investment Corporation (MWG) and Vincom Re-tail (VRE). All these stocks lost at least 1.25 per cent.

The index pared losses thanks to gains in some pillar stocks, led by Vietnam Rubber Group (VRE), up by the maximum daily rise of 7 per cent. Vinamilk (VNM) and Sabeco (SAB) also contributed to the bullish sentiment, with rallies of 1.17 percent and 1.9 per cent, respectively.

Meanwhile, the HNX-Index on the Hà Nội Stock Exchange (HNX) increased by 1.53 points, or 0.8 per cent, to 192.4 points.

During the session, more than 57 million shares were traded on the northern bourse, worth VND706.92 billion.

Foreign investors were net buyers on both main exchanges, of which they net bought a value of VND40.26 billion on HOSE, and VND34.84 billion on HNX.

## Macro & Policies

### 2. Network operators encroach on camera market

A representative of MobiFone said that more than 90 per cent of cameras in Viet Nam originated from China and all have code in the software to synchronise with the server.

Therefore, for cameras, the possibility of revealing personal information to the outside is very high, unless all cameras are manufactured by companies in Viet Nam.

Nguyen Minh Duc, CEO of Cyradar, said that surveillance cameras were not only used in households, but smart cities also planned to install them.

It was time for State management agencies to set safety standards and organise evaluation and licensing for cameras circulating in the market, said Duc.

Sharing about this issue, Nguyen Tuan Anh, chairman of the board of directors of Lumi Viet Nam JSC, said that for Vietnamese brands, if they researched and invested in product development by themselves, then surely all were aimed at ensuring the safety and security of customers.

Nguyen Viet Bang, deputy general director of VNPT Technology, said that with the fact that there were more and more personal image leaks from surveillance cameras and the general technology

knowledge of internet users was getting better and better, users tended to choose Made-in-Viet Nam security solutions products, from reputable suppliers.

Recently, MobiFone Global has also announced it will jump into the smart camera market. The company's representative said that the participation in the market was due to the need for security, the need for remote control, when the broadband internet connection infrastructure developed strongly, allowing the connection of high quality real-time video services.

MobiFone Global analysed that the camera penetration density was at a very low level in Viet Nam, about three cameras per 100 people, and most equipment was provided by foreign suppliers.

Thirty per cent of the current cameras are at risk of insecurity and data leakage. MobiFone currently has 2.6 million Home Accounts, which will be a set of potential customers to use its cameras as a product in the service ecosystem in the household.

A representative of Viettel High-Tech Corporation said that the company was currently in the process of testing camera products to bring to the market.

Viettel's products target the household market and smart traffic.

### 3. Bac Lieu looks to become nation's renewable energy center

According to the local orientation, renewable energy, including wind and solar energy and liquefied natural gas, is the priority investment sector and one of the five socioeconomic development pillars of the province.

In late 2016, Bac Lieu proposed the Government withdraw the Cai Cung thermal power plant project from the comprehensive power planning VII due to its potential risks to the province's environment. Since then, Bac Lieu has focused on clean energy

development to move toward a long-term environmental protection strategy.

Since 2021, many renewable energy projects in the province have been put into service.

According to the Bac Lieu Province's Department of Industry and Trade, the province now has eight operating wind energy farms onshore and offshore with a total capacity of 469,2 MW, ranking third in

the country's total wind energy output at 2.0 billion kWh.

These wind energy farms are estimated to help reduce over 1,691 million tons of CO2 emissions. Moreover, they have contributed around VND450 billion to the annual provincial budget.

Several wind power projects are being executed in the province, including the Bac Lieu wind power project – phase 3 with a capacity of 141 MW, the Japan – Bac Lieu wind power project – phase 1 with

a capacity of 50 MW and the Bac Lieu liquefied natural gas with a total capacity of 3,200 MW.

Besides supplying clean energy for production, the wind power farms have contributed to the province's tourism development, said Phan Van Sau, director of the Bac Lieu Province's DOIT.

Since Bac Lieu Province has focused on renewable energy, the province has seen remarkable socioeconomic development, especially in infrastructure, supporting services and local residents' income.

#### 4. Bac Giang invests more in infrastructure for agricultural production

The locality aims to expand the Gross Regional Domestic Product (GRDP) growth of agro-forestry-aquaculture by 2 - 3%, and average agricultural labour productivity by 8.6 - 9% per year from now to 2030.

The provincial authorities have paid attention to speeding up the restructuring of the rural economy, creating linkages between agricultural production and industrial and service development; upgrading transport, industrial and service infrastructure; and forming a transport, preservation, processing, logistics and e-commerce network in rural areas.

In the coming time, Bac Giang will focus on developing industrial clusters and craft villages in accordance with the province's planning and specific conditions; building diversified commercial infrastructure in rural areas; and harmoniously combining traditional business activities and modern trade.

Bac Giang has prioritised resources for the National Target Programme for New Rural Development, especially building infrastructure towards gradually meeting urbanisation requirements in Viet Yen and Yen Dung districts, and a number of communes in Luc Ngan district.

The province has allocated annual investment capital from the State budget, and proposed a list of projects to build, upgrade and expand clean water supply projects in rural areas in accordance with the

provincial development master plan in the 2021-2030 period, with a vision to 2050.

Attention will be paid to mobilising all sources to support the development of farm economic models, agricultural cooperatives, OCOP products, large timber forests, and farming under the forest canopy; and promote land accumulation, the development of rural and intra-field transport facilities, irrigation infrastructure, and deep processing and preservation facilities.

A number of irrigation systems and pumping stations in Son Dong and Luc Ngan districts have been upgraded and constructed in accordance with the approved plan, contributing to better serving agricultural production and socio-economic development in Bac Giang in recent years.

Since 2019, Bac Giang has allocated 2.55 trillion VND (over 102.7 million USD) from the State budget, official development assistance (ODA) capital, and the province's budget to invest in infrastructure development serving agricultural production; including over 1.56 trillion VND for constructing and upgrading irrigation infrastructure (dykes, culverts, lakes, dams, pumping stations, and canals), accounting for 61.3% of the total public investment capital assigned to the province. These works have contributed to preventing and controlling floods and storms and adapting to climate change in the locality.

During 2019 – 2021, Bac Giang attracted over 570 billion VND in investment, including over 100 billion VND from the State budget, and over 470 billion VND of reciprocal capital of local businesses and people.

The local agricultural sector has proposed a number of policies to support agricultural production and assist farmers by helping them obtain good agricultural practice certificates, providing them with financial support to make analysis of pesticide residues in litchi, and supplying them with equipment and animal vaccines.

Training courses have been organised to guide farmers in how to apply effective methods to reduce input costs and take advantage from available raw materials as feed in livestock.

In the first half of 2022, Bac Giang continued to develop commercial-scale agricultural production along with production and selling chains, increasing

incomes for local farmers. In the last winter crop, the province earned 1.9 trillion VND, up 8.8% year on year.

In the spring crop this year, the province recorded an average rice output production of 6 tonnes per hectare and even over 7 tonnes per hectare in farms cultivating high quality rice varieties.

Meanwhile, the province also enjoyed a bumper litchi crop with over 180,000 tonnes, meeting the requirements of many foreign markets.

Bac Giang has showed good control of diseases on livestock, resulting in high productivity, especially in chicken production.

The province’s agricultural sector recorded a growth of 2.7% in the January-June period, with the production scale reaching over 19.9 trillion VND, fulfilling 50.9% of its target for the whole year.

## 5. European firms interested in various sectors in Central Highlands: EuroCham leader

Cany was speaking at a conference on November 20 to launch the Government’s action plan realising the Politburo’s Resolution No. 23-NQ/TW dated October 6, 2022, on orientations for socio-economic development, national defence and security in the Central Highlands by 2030 with a vision towards 2045.

He said that as EuroCham has committed to supporting the development of Vietnam’s tourism industry, he supports the resolution.

The official said the adjustments of visa policies and the exemption of visa for European visitors will help increase the number of European tourists to Vietnam.

By strategically combining its resources, EuroCham will be able to accelerate the recovery of Vietnam’s tourism industry and enhance the reputation of the Central Highlands, he stated.

Cany noted the region has about 5.5 million hectares of agricultural land, which produced many world-

famous products such as coffee, pepper, avocado, lemon, and passion fruit.

EuroCham is committed to supporting agricultural enterprises in the Central Highlands to take full advantage of the advantages brought by the EU-Vietnam Free Trade Agreement (EVFTA), he said, stressing that there is still much to do to improve the agribusiness environment and make these products more popular in Europe.

Cany announced that many European companies are investing in renewable energy in the Central Highlands.

However, he pointed out that an investment corridor is needed to attract more foreign investment to the Central Highlands renewable energy industry, along with a clear legal mechanism to attract capital.

## 6. Vietnam's exports to Germany up 30.5% in 10 months

Meanwhile, the import value was 2.96 billion USD, a slight decrease compared to the same period of last year.

In the period, two-way trade reached nearly 10.6 billion USD, up 17.6% year-on-year.

Vietnam mainly shipped machinery, component parts, automobile, footwear, garment and textiles, coffee and aquatic products to Germany, while importing machines, components, parts,

pharmaceuticals, chemicals, and automobile spare parts to the European country.

Germany is currently Vietnam's biggest trade partner in Europe, accounting for 20% of the Southeast Asian country's total trade value to the EU.

For Germany, Vietnam is a potential market and an important partner, especially in the context that the EU-Vietnam Free Trade Agreement proves effective after the over-two-year implementation.

## 7. Coffee export faces pressure from global uncertainties after record year

Statistics from the General Department of Customs show that Vietnam exported 1.42 million tonnes of coffee in the first ten months of this year, a rise of 10.8% over the same period last year.

Export revenue increased strongly by 33.7% to reach 3.22 billion USD. Coffee export prices averaged 2,283 USD per tonne, up by 21.2%.

Vietnam had a good coffee crop with strong prices in 2021-22, according to the Ministry of Agriculture and Rural Development.

Statistics from the Vietnam Coffee Cocoa Association (VICOFA) show that a total of 1.68 million tonnes of coffee were exported in the 2021-22 crop, worth more than 3.9 billion USD, a record revenue so far.

Germany was the largest coffee export market of Vietnam with 216,000 tonnes, followed by Italy with 139,000 tonnes, the US with 126,000 tonnes, Belgium with 120,000 tonnes and Japan with 111,300 tonnes.

Instant and ground coffee exports totalled 92,000 tonnes, worth 598.2 million USD in the 2021-22 crop.

VICOFA President Nguyen Nam Hai said that Vietnam is gradually increasing the export of processed coffee and reducing dependence on raw coffee exports, opening positive prospects for the coffee industry.

### Under pressure

VICOFA said that the 2022-23 crop is entering the harvest season in the context of global uncertainties, rising inflation risk and unstable logistics, which are creating pressure on the coffee industry.

Global coffee prices are dropping from early November as better weather helps replenish dwindling supplies.

According to a story published by multimedia financial services company Motley Fool, Brazil expects its coffee production to grow by at least 8% next year.

Vietnam, the world's second-largest coffee exporter, also expects a healthy crop.

ICO forecast Brazil and Vietnam would supply 100 million bags or meet 60% of the global coffee consumption demand in the 2022-23 crop.

## Corporate News

### 8. CII: SSC rejects CII's share issuance plan

↑ 6.64%

The document said that as the company still needs to update its current charter capital, which is the capital after issuing shares to convert bonds, it has not been approved to issue bonus shares.

Previously, CII issued 707,598 shares to convert into 18,116 convertible bonds for the third phase on May 4.

On August 19, it announced the common stock dividend at a rate of 14 per cent, meaning shareholders owning 100 shares will receive 14 new shares, and the payment of the 2022 cash dividend at a rate of 12 per cent, meaning shareholders owning one share will receive VND1,200 (US\$0.048).

For bonus shares, the company has previously submitted a dossier to the SSC. It will carry out the plan after it gets the committee's approval, expected at the end of August. But with the new announcement from SSC, the share bonus will not have a specific implementation date.

Regarding the business results, in the third quarter of 2022, CII recorded a revenue of over VND2.18 trillion, up 744 per cent year-on-year, with a gain of 385.3 per cent in profit after tax to VND51.68 billion. However, its gross profit margin plummeted from 26.9 per cent to a multi-year low of 15.1 per cent during the period.

For the first nine months of the year, the company recorded a rise of 75 per cent in revenue to more than VND3.8 trillion, while the profit after tax surged by 577 per cent to VND852.4 billion.

In 2022, CII sets a target of over VND8 trillion in revenue and VND756.8 billion in net profit after tax for the parent company. Thus, after nine months, CII completed 96.1 per cent of the annual profit plan.

On the stock market, CII shares ended the last trading day at VND12,050 per share, up 7 per cent, the maximum daily gain on the southern market.

### 9. VGC: Viglacera among top 22 ceramic tile producers globally

↑ 0.66%

Viglacera is also Vietnam's biggest construction materials manufacturer with an annual capacity of 43 million sq.m and exports to 70 countries. This year, the company debuted six new collections, built seven more plants and 16 showrooms.

Apart from improving the quality of eco-friendly construction materials, Viglacera also targets key markets such as the Republic of Korea, Japan, America and Europe.

It now has 11 industrial parks and one economic zone covering 4,210ha and attracting over 300 firms at home and abroad.

By 2025, the company will increase the total number of Viglacera-branded IPs to 20, with over 10 new IPs sprawling 2,000-3,000ha.

In the south, it will also focus on social housing projects to speed up site clearance and develop IP projects, thus ensuring stable and sustainable growth.

**Research Team:** Tsugami Shoji    *Researcher*    [jsi@japan-sec.vn](mailto:jsi@japan-sec.vn)

**Disclaimer:**

*Copyright 2015 Japan Securities Co., Ltd (JSI). All rights reserved. This report has been prepared on the basis of the information believed to be reliable at the time of publication as provided by StoxPlus (www.stoxplus.com) - An associate company of Nikkei Inc. and QUICK Corp. JSI makes no representation or warranty regarding the completeness and accuracy of such information. This report is provided, for information purposes only and does not constitute an offer or solicitation to buy or sell any securities discussed herein any jurisdiction. Investors must make their investment decisions based upon independent advice subject to their particular financial situation and investment objectives. This report may not be copied, reproduced, published or redistributed by any person for any purpose without the written permission of an authorized representative of JSI.*

***Japan Securities Co., Ltd – JSI***

*Address: 14F, TNR Tower, 54A Nguyen Chi Thanh, Lang Thuong, Dong Da, Hanoi*

*Tel: (024) 3791 1818*

*Fax: (024) 3791 5805*

*Email: [info@japan-sec.vn](mailto:info@japan-sec.vn)*

*Website: [www.japan-sec.vn](http://www.japan-sec.vn)*