



# VIETNAM DAILY NEWS



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## Market Analysis

### 1. Shares gain on low liquidity

Vietnamese stocks gained on Tuesday on record low liquidity as many investors were hesitant to jump on board although there was an increase in stock valuations.

The VN-Index on the Ho Chi Minh Stock Exchange (HoSE) closed the day at 1,004.57 points, an increase of 1.97 per cent.

The market's sentiment was positive with more stocks increasing, of which 331 stocks inched higher and 86 reduced.

Liquidity hit a record low with more than 593 million shares traded, equivalent to a value of VND9.6 trillion (US\$407 million).

With the cautious state of cash flow in the last few sessions, the market lost its balance. The market reached the support ability of 1,000-points.

Temporarily, the 1,000 – 1,020 points range is an area that can put pressure on the market in the near future, therefore, investors should be cautious about the increasing market risk. At the same time, it is still advisable to consider taking profits or restructuring portfolios in the direction of minimising risks when the market has a recovery span, said Viet Dragon Securities Co.

“After a struggling session in the zone of 985 - 995, VN-Index suddenly gained at the end of the session; however, the liquidity remained at a low level in recent sessions. In the coming sessions, it is likely that VN-Index may have shaking sessions around 1,000 points,” said BIDV Securities Co.

The 30 biggest stocks tracker VN30-Index posted a gain of 1.98 per cent, to finish at 1,007.36 points. Of the VN30 basket, 27 stocks climbed, while two declined and one ended flat.

Banking stocks saw positive results, with gainers including Techcombank (TCB), Sai Gon Thuong Tin Commercial Joint Stock Bank (STB), Military Bank (MBB) and Vietnam International Bank (VIB), Sai Gon-Ha Noi Bank (SHB), Asia Commercial Bank (ACB), and Vietinbank (CTG), VPBank (VPB), Tien Phong Bank (TPB) and Lien Viet Post Bank (LPB).

Some large-caps still performed positively, with the biggest gainers in the VN-30 basket being Hoa Phat Group (HPG), SSI Securities Inc (SSI), Khang Dien House (KDH), all hitting the daily limit rise of 7 per cent.

On a sector basis, all 25 indices on the stock market gained ground, including insurance, wholesale, construction, logistics, agriculture, real estate, retail, seafood production, construction materials, securities, rubber production, plastic and chemical production, banking, oil and gas, IT, food and beverage, and healthcare.

The HNX-Index on the Ha Noi Stock Exchange (HNX) also ended higher. The northern market index rose 2.34 per cent, to close at 203.14 points.

More than 58.8 million shares were traded on the HNX, worth VND770 billion.

## Macro & Policies

### 2. Vietnam sets new record in import-export turnover

Vietnam's import-export revenue is likely to hit a record of 728.9 billion USD in 2022, according to the General Department of Vietnam Customs.

As of December 15, the country's total import-export turnover had reached 701.3 billion USD, including 355.82 billion USD worth of exports, the highest so far.

Strong growth was seen in the exports of both domestic and foreign-invested sectors, with the latter contributing 74.6%.

Upturn was reported in the export revenue of 35 out of 45 commodities, with 11 enjoying an increase of over 1 billion USD.

Meanwhile, 36 out of 45 exports recorded revenue of over 1 billion USD, including eight with more than 10 billion USD.

As of December 15, the country enjoyed trade surplus of 10.36 billion USD.

Economist Dinh Trong Think held that the surge in exports showed the efficiency of Vietnam's market opening policy and post-pandemic recovery measures.

Some experts attributed the results to the recovery of export markets and advantages from free trade agreements (FTA). At the same time, foreign corporations' investment shifting for the restructuring of supply chains with larger production scale has also motivated import-export activities.

Minister of Industry and Trade Nguyen Hong Dien said that in 2023, the global trade is facing many pressures due to complicated developments of geopolitical tensions and increased inflation. This has forced many governments to tighten fiscal and monetary policies.

He advised businesses to change their mindset and pay greater attention to "greening" the supply chain in the international trade to meet increasing technical requirements of the world market.

The minister stressed the need to keep a close eye on the domestic and global economic developments to give timely response.

He also pointed to the necessity to strengthen market forecasts and the update of new policies and regulations in foreign markets, while continuing to optimise advantages from FTAs.

### 3. Vietnam's export sector pins hopes on China's reopening

According to the Vietnam News Agency, China started in early December to roll back many Covid-19 restrictions. Over the past three years, China has maintained strict measures that require people to stay home and businesses to operate mostly remotely.

The second quarter of 2023 would see the Chinese economy being reopened, including facilitating the prevailing Zero-Covid policy to its imports.

As of October 2022, tra fish export revenue had totaled US\$2.1 billion, 30% of which is from China, Vietnam's biggest tra fish buyer. Besides, Vietnam is the third biggest natural rubber exporter to China with a 16% market share.

Vietnam is expected to grow more when China reopens and resumes air services, according to Agribank Securities Corporation (Agrisecco).

Accordingly, business performance would be enhanced as transport fares fall, goods circulation resumes and import transit time is reduced.

#### 4. FDI inflows slightly decrease in 2022

The total newly-registered capital, adjusted capital, capital contributions, and share purchases stood at \$27.7 billion in 2022, equivalent to 89 per cent of last year, according to the Ministry of Planning and Investment's Foreign Investment Agency.

Specifically, 2,036 projects were granted investment registration certificates over the year with total registered capital of almost \$12.5 billion, down 18.4 per cent from last year. Adjusted capital reached over \$10.1 billion, up 12.2 per cent on-year. A very similar number of projects registered for capital adjustment this year.

There were 3,566 capital contributions and share purchases as of December 20, equivalent to \$5.2 billion (a decrease of 25.2 per cent over 2021). One bright spot was disbursed capital, which topped \$22.4 billion over the year (13.5 per cent higher than in 2021).

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The FIA census also showed that foreign investments were seen in 19 out of the 21 economic sectors during the period. Of which, processing and manufacturing took the lead with \$16.8 billion. Real estate was next with a total investment of \$4.5 billion, followed by electricity production and distribution with \$2.3 billion and scientific and technological activities with \$1.3 billion.

It is also worth noting that wholesale and retail, processing and manufacturing, and scientific and

technological activities were the sectors with the largest number of newly-registered projects, accounting for 30 per cent, 25.1 per cent, and 16.3 per cent of respectively.

By partner, 108 countries and territories poured money into Vietnam this year. Singapore was on top with \$6.5 billion, accounting for 23.3 per cent of the total foreign investment into the country. South Korea came second with \$4.9 billion and Japan was third with \$4.8 billion. Other names further down the list included China, Hong Kong, and Taiwan.

Ho Chi Minh City attracted the largest amount of FDI at just under \$4 billion, followed by Binh Duong with \$3.1 billion, and Quang Ninh with \$2.4 billion.

The export turnover of foreign-invested enterprises (FIE) continued increasing by about 12 per cent on-year to roughly \$276.5 billion, making up about 74 per cent of the country's total export value. Their import turnover was estimated at \$234.7 billion, up 7.4 per cent on-year and accounting for 65.1 per cent of the total.

The FIE trade surplus was \$41.8 billion (including crude oil) or \$39.5 billion (excluding crude oil). Local businesses reported a trade deficit of \$30.8 billion.

The over 36,278 valid foreign-invested projects accumulated across the country boasted total registered capital of more than \$438.7 billion. Their disbursement was about \$274 billion, equivalent to 62.5 per cent of the valid registered capital.

#### 5. Banks requested to cut rates to support economic recovery

Governor of the State Bank of Vietnam (SBV) Nguyen Thi Hong has directed banks to continually reduce input costs with an aim to cut loan interest rates.

Under a document issued recently, banks have been required to cut operating costs and unnecessary expenses, as well as administrative procedures, so

as to have room for lending interest rate reduction to support the economic recovery and development.

Banks have been also instructed to continually promote the implementation of the Government's interest rate support programme for loans of enterprises, cooperatives and business households according to the Government's Decree 31/2022/ND-CP dated May 20, 2022.

“The SBV will monitor banks, which continue to raise interest rates, and take measures to deal with the violation cases,” the Governor noted.

At a recent meeting, the Vietnam Bankers Association (VNBA) called on its members to keep deposit interest rates at 9.5% or below to reduce lending interests and boost economic recovery. The move was made after many banks raised their rates to up to 11.5% per year for a 12-month term.

According to VNBA Chairman Nguyen Quoc Hung, the rise created intense competition in mobilising money, which caused instability among depositors and borrowers.

Rising deposit interest rates means rising costs, which makes it more difficult to lower loan interest rates to support businesses, Hung said.

Bank representatives at the meeting agreed with the proposal to keep deposit interest rates at 9.5% maximum.

Some banks have started to lower their deposit interest rates. It has been reported that the interest rate race has stalled, with no banks increasing their rates over the past week after a flurry of activity in the past few months.

According to experts, in order to make banks feel secure in agreeing to lower deposit interest rates, the SBV has made efforts to support liquidity for banks through the open market operation (OMO) channel.

Under the newly issued document, the SBV also directs banks to give loan priority to agriculture, export, small- and medium-sized enterprises, supporting industries, high-tech enterprises, industrial park construction and solvent real estate projects for low income people.

Banks must strictly control credit risks for investment activities in corporate bonds, securities and real estate sectors, according to the document.

## 6. CPTPP expansion a potential boon for Vietnam

Luong Hoang Thai, director of Multilateral Trade Policy under the Ministry of Industry and Trade (MoIT), acknowledged the potential for Vietnam to grow alongside major trade deal expansion at a December 26 conference to summarise the achievements of Vietnam after three years in the CPTPP.

“During the past time, the MoIT has cooperated with ministries and the bloc's members to discuss the expansion of the CPTPP in the context that a number of economies are interested in being members,” Thai said.

“Having more members from Asia in particular means that Vietnam will lose the advantage of

being a pioneer in the region in establishing the relationship with countries in CPTPP – thus, the business community needs to foster the opportunities more rapidly in order to get the full benefits from the agreement,” he said.

In 2021, the total export turnover of Vietnam to CPTPP members reached \$45.7 billion, up 18.1 per cent on-year. The import turnover from these members to Vietnam was \$45.5 billion, up 37.6 per cent on-year.

In the first ten months of 2022, the total import-export value between Vietnam and CPTPP economies was \$88.1 billion, up 19.2 per cent on-

year, including \$45.1 billion in export value and \$43 billion in import turnover.

The CPTPP is a free trade agreement between Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, Peru, New Zealand, Singapore, and Vietnam.

## 7. Loss-making projects turn fortunes around

With directions from the Prime Minister, and relevant ministries and sectors, the Committee for Management of State Capital at Enterprises (CMSC) has solved difficulties in MoIT's delayed and loss-making projects.

DAP 1 fertiliser Hai Phong plant under Vietnam National Chemical Group, has been in stable production since 2017. As a result, it did not have losses from January 2022.

Dinh Vu Polyester Fiber Plant of Vietnam Oil and Gas Group has maintained efficient production of 27 Drawn Texturised Yarn (DTY) lines and gained profit.

Meanwhile, the remaining seven projects also have positive changes. Three projects and fertiliser production enterprises of Vietnam National Chemical Group have maintained production and business and, step by step, increased the average capacity.

Although still having many difficulties, the three projects have produced and supplied a large amount of urea and DAP fertilisers to the domestic market and a part for export. Those have contributed to stabilising the domestic fertiliser market and ensuring national food security.

By the end of 2022, these three fertiliser plants still have accumulated losses. However, in 2022, thanks to the highest fertiliser price in the last ten years, the three factories have made a profit of about VND2.63 trillion.

In addition, the phase-two production expansion project of the Thai Nguyen Iron and Steel Corporation, one of the most difficult projects

Ecuador filed its application to join at the end of 2021, while Costa Rica announced an intention to apply in July this year. The UK began negotiations about joining in February, while China submitted a formal application in May.

among the 12 projects, has also had many positive developments.

The State Capital Investment Corporation (SCIC), Vietnam Steel Corporation and Tisco2 have directly negotiated with Tisco2's main EPC contractor, China Metallurgical Group Corporation (MCC Group), and worked with the Chinese embassy to take support from them in solving the project's difficulties. In addition, a delegation of MCC Group and Tisco2 have reviewed machinery and equipment gathered at the sites under construction.

In the coming time, CMSC chairman Nguyen Hoang Anh said, the committee will review and report to relevant State agencies to handle the difficulties and problems of each project and enterprise based on the actual situation.

They will also have solutions for restructuring projects and businesses to prioritise selling and divestment.

If the projects and enterprises cannot recover, they will consider implementing the bankruptcy and dissolution plan in accordance with the law. The goal is to minimise losses of the State and negative impacts on the State budget and the economy, Anh said.

According to the Government's schedule, the plan to restructure four loss-making projects under MoIT will be submitted to the Politburo in the first quarter of 2023.

The four projects include the phase-two production expansion project of the Thai Nguyen Iron and Steel Corporation, Dung Quat Shipbuilding Industry Company Limited; Viet Trung Steel Plant Project; and Phuong Nam Pulp Factory Project. These four



projects are not yet produced, so they have no revenue to cover losses.

## Corporate News

### 8. PNJ: Notice of the record date for additional issue to increase the equity

↑ 0.00%

Phu Nhuan Jewelry Joint Stock Company announces the record date for additional issue to increase the equity:

HOSE announces the record date of Phu Nhuan Jewelry Joint Stock Company:

- Ex-right date: December 29, 2022
- Record date: December 30, 2022
- Purpose additional issue to increase the equity.
- Issue ratio: 3:1 (03 shares will receive 01 new share)

- Number of shares expected to be issued: 82,000,687 shares

- Plan to deal with fractional shares

The distributed shares will be rounded down. The fractional shares will be canceled.

- Place & procedure of payment:

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

+ Shareholders whose shares have not been deposited: Phu Nhuan Jewelry Joint Stock Company.

### 9. APG: Plan for stock issuance to pay dividend for 2021

↑ 6.96%

The Board resolution dated December 26, 2022, the BOD of APG Securities Joint Stock Company approved the plan to issue shares for 2021 dividend payment with details as follows:

- Stock name: APG Securities Joint Stock Company
- Stock code: APG
- Stock type: common share
- Par value: VND10,000/share
- Charter capital before the issuance: VND1,463,066,120,000
- Number of shares issued: 146,306,612 shares
- Number of treasury shares: 0 share

- Number of outstanding shares: 146,306,612 shares

- Number of shares expected to be issued: 16,093,727 shares

- Total value of issuance (at par value): VND 160,937,270,000

- Expected charter capital after the issuance: VND 1,624,003,390,000

- Exercise ratio: 11% (100:11) (Those who own 100 shares will receive 11 new shares)

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

- For example: at the record date, shareholder A owns 136 shares. With 11% exercise ratio, the shareholder A will receive:  $136 \times 11 / 100 = 14.96$



shares. According to rounding policy, the shareholder A will receive 14 new shares and fractional shares of 0.96 share will be cancelled.

- Transfer restriction: none

- Time of implementation: expected in Quarter I/2023 after being approved by the State Securities Commission of Vietnam (SSC).

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