



VIETNAM DAILY NEWS



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Market Analysis

1. Market extends gains for third straight session

The stock market settled up on Thursday, boosted by positive sentiment and inflows of foreign capital.

The market's benchmark VN-Index on the Ho Chi Minh Stock Exchange (HoSE) ended the day at 1,055.82 points, an increase of 9.47 points, or 0.91 per cent.

It had gained a total of nearly 49 points in the last three sessions.

The breadth of the market returned to positive territory, with more stocks adding points. Specifically, 184 stocks advanced on the southern bourse, while 137 stocks inched lower.

However, liquidity was lower in the southern market. Of which, investors poured nearly VND9.2 trillion (US\$391.3 million), down 12.38 per cent over the previous session.

The VN30-Index, which tracks the 30 biggest stocks on HoSE, also increased by 11.75 points, or 1.12 per cent, to 1,061.9 points.

Twenty-five stocks in the VN30 basket witnessed a positive performance on the trading day, with one stock hitting the maximum daily rise of 7 per cent, while only four tumbled. And one stock stayed unchanged.

On the Ha Noi Stock Exchange (HNX), the HNX-Index also moved up. The northern market's benchmark closed on Thursday at 213.11 points, a gain of 0.05 points, or 0.02 per cent.

During the session, nearly 57 million shares were traded on HNX, worth VND819.8 billion.

The market continued its bullish beginning, up for the third consecutive day.

From a medium- and long-term standpoint, the market sent positive signals in the final trading session of last year and the first few sessions of this year.

"Opportunities for medium- and long-term investors become more and more obvious. Long-term investors can continue to increase the proportion of stock holdings at the moment to catch the new phases of accumulation and boom of the market," said analysts from Saigon - Hanoi Securities SJC (SHS).

"The market started the new year with a very positive session. We expect the market will move in a more positive trend than last year, and investment opportunities will be there for both short-term and medium- and long-term investors."

Statistics showed that the banking, manufacturing, utilities, and real estate industries led the market's rallies. Specifically, Vietcombank (VCB) was the biggest gainer in market capitalisation with an increase of 1.45 per cent, followed by Vinamilk (VNM), PV Gas (GAS), Vinhomes (VHM), and Hoa Phat Group (HPG), up in a range of 1.43-2.4 per cent.

Also lifting the market's sentiment, big names like PV POWER (POW), Sacombank (STB), Sabeco (SAB), Vincom Retail (VRE), and Techcombank (TCB) also posted great performances, of which POW shares even registered the biggest daily gain of 7 per cent.

Foreign investors also supported the market as they kept pouring capital into the two main exchanges. They net bought VND673.68 billion on HoSE and VND8.26 billion on HNX.

Macro & Policies

2. Public investment to support real estate market

According to the Ministry of Planning and Investment, the National Assembly will approve a public investment plan in 2023 costing \$29.5 billion, an increase of about 25 per cent compared to the 2022 plan and an increase of about \$11 billion compared to the 2021 plan.

Vu Ngoc Quang, analyst from SSI Research, said that infrastructure development is a factor that investors must keep in their mind when investing in real estate, as this is the long-term growth engine of the industry.

“For example, in the northern market, Hanoi is re-planning urban areas on the banks of the Red River. In the south meanwhile, a range of large-scale infrastructure facilities are under construction such as Ring Road No.3, the metro lines, and Long Thanh International Airport. All of those constructions are pushing positive motivation for the real estate market,” Quang said.

According to Vo Hong Thang, deputy director of Research and Development at DKRA Vietnam, in today's difficult times, investors who want to successfully catch up need to pay attention to several factors.

“They must be strong in finance, and avoid using loaned capital,” Thang said. “After that, when investing near infrastructure facilities, it is necessary to carefully consider the project's legality, review local planning, and avoid spending money on unfeasible projects. In addition, investors need to control and filter information to avoid fake waves of information.”

Another important factor that cannot be ignored is the local population. Real estate value can increase in areas where urban areas have been formed with full facilities such as markets, hospitals, schools, and other public facilities.

“In the current volatile period, investors need to determine a strategy in the medium and long term

to ensure expected profits because large traffic infrastructure projects often have prolonged implementation. So, it is necessary to have capital in their pockets,” Thang emphasised.

In the southern region, most of the key infrastructure projects under construction or planning pass through the southern province of Dong Nai, such as Long Thanh, Ben Luc-Long Thanh and Bien Hoa-Vung Tau expressways.

With investment from the government, Dong Nai's transport infrastructure system has become more synchronous and internal transport routes are also well-invested. Besides that, the attraction of Dong Nai real estate also comes from the advantage of being located near Ho Chi Minh City. In addition, Dong Nai is home to over 30 industrial zones (IZs), with plans to open at least eight more by the end of the decade.

The speed of foreign investment attraction and development of IZs is the driving factor for real estate demand in Dong Nai, where more than two million workers live. Therefore, large-scale real estate developers such as Novaland, DIC Corp, Dat Xanh, and Nam Long are placing focus in the province.

Projects such as Aqua City from Novaland, Izumi City by Nam Long, and Gem Sky World of from Dat Xanh all reportedly have high absorption rates and good potential for price increases.

In Hanoi, meanwhile, bridges across the Red River, together with four ring roads linking Hanoi with Hung Yen and Bac Ninh provinces, are changing the landscape and real estate potential of a range of neighbouring areas.

Large-scale developers are joining these areas, including Vingroup, Ecopark, Masterise Homes, BRG Group, Eurowindow, and many others.

3. Vietnamese economy anticipated to see strong growth amid potential risks in 2023

Similar to other nations in the group of emerging Asian countries, strong growth is expected to continue in the country, with the IMF predicting that the Vietnamese economy will grow by 6.1% this year, the World Bank (WB) giving a growth forecast of 6.4%, and the ADB anticipating a growth rates of 6.7%.

Such growth would make the country one of the fastest growing economies in the world. Indeed, this optimistic growth outlook is largely due to the fact that COVID-19 has been brought under full control through a rapid vaccination programme which resulted in the nation fully lifting restrictions to allow all social activities to return to normal.

Vietnamese inflation has risen, but only exceeded the official target of 4% by a small margin in November as it reached 4.37%.

A cautious rate hike by the central bank is therefore viewed as a positive step in keeping inflation under control and maintaining confidence without putting growth at risk.

The State Bank of Vietnam (SBV) should continue to be cautious, particularly as inflationary pressures may increase and the exchange rate has the potential to drop, a factor which will affect import prices and push up inflation over the coming months.

The objective of the monetary policy is to bring inflation back to the official target within a reasonable and short period of time.

Maintaining rapid growth amid a weakening global economy will certainly pose a challenge.

Exports have been one of the country's traditional growth engines, although exporters will face a slowdown in demand from both North American and European customers.

Foreign direct investment is also a traditional growth driver for the nation, with many success stories being recorded in the electronics sector.

The investment expansion announcements of Samsung, LG, Foxconn, and Lego can be seen as

evidence of the unrelenting appeal of the Vietnamese market.

However, multinational corporations (MNCs) are currently facing pressure to resume production, boost job creation in their home countries, make supply chains more resilient, and strengthen national security, all of which could weaken foreign investment flows over the coming years.

Real estate investment has also been a key growth driver in recent years, despite their large financial risks. Low interest rates and easy credit conditions have fueled a property boom, with housing prices rising rapidly.

The SBV has already moved to raise interest rates and tighten credit to combat inflation, while the housing price increase cycle is coming to an end.

Vietnamese homebuyers will be more cautious moving forward and it is likely that developers will delay the construction of new projects, leading to a freezing market. This will could a key cause in stifling the growth engine in the near future, with investment in carbon reduction potentially becoming a key growth driver in the short and medium term.

Despite the country committing to becoming carbon neutral by 2050, there is not much time left to make major investments needed to cut emissions.

Although there have been more projects making use solar batteries and wind turbines than before, coal remains the mainstay of the nation's electricity industry and the largest source of greenhouse gas emissions.

Vietnam requires large investments to decarbonise electricity generation, strengthen the grid, and to popularise the use of electric vehicles in transportation.

The nation has pledged to limit the electricity sector's emissions to 170 million tonnes of carbon dioxide by 2030, with half of its electricity coming from renewables.

This level of investment will be supported by a package of grants from advanced economies, with

the ultimate goal mitigating the negative impacts of climate change.

Risk identification

These projections depict an optimistic outlook showing robust growth and falling inflation, although rarely has forecasting been as difficult as it is now.

Vietnamese businesses and consumers should be ready for new shocks and possibly a new crisis while the geopolitical situation remains as dire as it currently does.

Conflicts typically create waves of global upheaval, with dramatic effects on energy, food, and financial markets.

How these geopolitical tensions will play out therefore remains unpredictable.

It is hoped that peace can be achieved, although dangerous incidents can still be viewed as very worrying.

The global fight against inflation is also a major risk. Although according to the Fed, inflation has slowed down over the past few months and it is still too early to confirm success.

In the Eurozone, inflation has not yet peaked and some more hikes are expected to come from the European Central Bank (ECB).

Much higher interest rates in these regions will pull capital back into high-yield markets which in turn puts additional pressure on the currencies of emerging economies like Vietnam. Despite these difficulties ahead, the nation still has high hopes for a successful 2023.

4. PM urges ministry to efficiently raise and use resources for development

PM Chinh was speaking at a conference held by the Ministry of Planning and Investment on Wednesday to begin the implementation of tasks for 2023.

The Prime Minister emphasised the need for the ministry to continue to work towards better consulting, planning, and macroeconomic management. He stressed the importance of closely monitoring regional and global developments, predicting and warning of potential challenges and opportunities, developing proactive scenarios to advise the government on solutions for implementing resolutions, and promptly responding to market fluctuations at home and abroad to promote growth and control inflation.

The focus must be placed on removing difficulties for enterprises and residents to promote production and business together with improving the institutions, mechanisms and policy framework, PM Chinh said.

He urged attention to promoting entrepreneurship, innovation, application of science and technology, development of a digital economy, green economy, circular economy and labour productivity.

With an excess of VND292 trillion in budget revenue in 2022, the Prime Minister said that this resource should prioritise urgent and unexpected issues and strategic transport infrastructure to fulfil the goal of the 13th National Party Congress that Viet Nam would have 3,000km of highways by 2025 and 5,000km by 2050, to create space and a new driving force for the country's future development.

Regarding public-private investment, Chinh said there was still significant room to promote public-private partnerships to raise resources for development. However, the institutions for public-private partnerships were falling behind the demand.

Chinh also asked the ministry to strengthen digital transformation in all fields and improve the quality of statistical work.

Speaking at the conference, Minister of Planning and Investment Nguyen Chi Dung said that the ministry determined the motto for action in 2023 to be “Seizing opportunities – Towards the future”, adding that in difficulties, there were always opportunities.

Dung said the workload of the ministry in 2023 was heavy.

Firstly, the ministry must complete and submit for approval all unfinished planning.

Currently, five regional plannings and 42 provincial-level plannings must be completed together with more than 30 industry plannings which the ministry was joining with other ministries and agencies to develop.

Although time was tight, Dung said that the quality of planning must always be put first, and this must be considered an opportunity to organise and rearrange the development space, promote the potential and advantages of each region, locality, industry and sector to create impetus and new growth poles for the country.

Another important task of the ministry this year was to complete the construction of the National Innovation Centre and innovation centres in provinces and cities throughout the country; more importantly, it was to build and develop an innovation ecosystem and improve linkage with the leading innovation centres and ecosystems in the world.

The innovation would focus on promoting green development trends and digital transformation in Viet Nam.

As 2023 was forecast with more difficulties, challenges and uncertainties than 2022, the ministry

would focus on contributing to keeping the macro-economy stable, controlling inflation and ensuring economic growth at a reasonable rate.

Another important task was to accelerate and transform the economy's structure, renew the growth model, and improve institutions and policies for new economic models such as the night economy, sharing economy, green economy, circular economy and the new development trends of green energy and liquefied hydrogen.

The strategic objective was to green the economy and improve the economy's internal capacity, autonomy and competitiveness, Dung stressed.

He said the focus would also be creating breakthroughs in infrastructure development and the disbursement of public investment.

Although 2022 had been a difficult year, Viet Nam's macro-economy was kept stable with positive economic growth and inflation under control, in which the Ministry of Planning and Investment played an important role.

Statistics showed that in 2022, the Vietnamese economy expanded at 8.02 per cent, the highest growth recorded in the 2011-22 period thanks to post-pandemic solid recovery and higher than the target set at 6-6.5 per cent.

The consumer price index was estimated at 3.1 per cent, below 4 per cent as the goal set.

5. Vietnam affirms position in international integration

It has also set up economic ties with around 230 nations and territories and is now a strategic partner of 17 countries.

This position has created outstanding motivations helping the country realise its growth goals, continue comprehensive innovation, and steadily move forward in its development path with great achievements after 36 years of Doi Moi (Renewal) and the 16-year WTO membership.

With its increasing international position and reputation, Vietnam is entering a new phase of international economic integration with a

completely new posture, and is confident in participating in global economic linkages.

Despite a lot of difficulties caused by the COVID-19 pandemic in the 2020-2022 period, Vietnam's import-export turnover surpassed the 700-billion-USD mark for the first time last year to top 732.5 billion USD, up 9.5% year-on-year.

Notably, 2022 also marked the seventh consecutive year Vietnam has recorded a trade surplus, with a value of over 11 billion USD.

In addition, Vietnam has also become an attractive destination for foreign investors. As of late 2022, the country had attracted nearly 439 billion USD in 36,278 projects from more than 140 nations and territories.

Nguyen Thi Thu Trang, director of the World Trade Organisation (WTO) and Integration Centre at the Vietnam Chamber of Commerce and Industry (VCCI), attributed the achievements to the country's bravery in opening its economy through the accession to the WTO and participation in FTAs.

FTAs have opened doors for Vietnamese exports, and created more opportunities for the country to join the global value chain and production network.

In particular, in the context of COVID-19, new-generation FTAs such as the EU-Vietnam Free Trade Agreement (EVFTA), the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), the UK-Vietnam FTA, and the Regional Comprehensive Economic Partnership (RCEP) have become "medicine" for Vietnam's economy to recover post pandemic.

According to statistics of the General Department of Customs under the Ministry of Finance, in 2021, Vietnam's trade with FTA partners hit 480 billion USD, up 22.5% year-on-year, accounting for nearly 72% of its total import-export turnover with the whole world.

6. Uplifting outlook for 2023 property market

According to industry professionals, capital is the most demanding aspect of the real estate business. According to Decision No.1435/QD-TTg, this bottleneck will be progressively alleviated by 2023 as the government has created a working party to assess the tough circumstances that firms are facing and areas with stalled projects.

The State Bank of Vietnam (SBV) decided at the beginning of December 2022 to raise the credit space for the whole banking system by 1.5-2 per cent instead of maintaining the growth rate at no more than 14 per cent for the whole of 2022 as anticipated.

According to Dr. Can Van Luc, a member of the National Financial and Monetary Policy Advisory Council, the rise in the credit growth limit is still essentially within this year's overall credit cap of 14 per cent. The SBV's decision to ease monetary policy at this time was influenced by macro variables such as inflation and the favourable exchange rate.

In Luc's view, the liquidity of the financial system has increased, which indicates that individuals have begun to return to the banking system to make larger deposits than in the preceding time. In addition, the capital demand of the market, from

both individuals and firms, towards the end of the year was particularly high so the granting of more credit will assist in fulfilling this need, promoting production and business throughout the peak season.

Additionally, 16 banks (Vietcombank, Agribank, HDBank, SHB, VIB, ABBANK, and Shinhan Vietnam) have agreed to lower loan interest rates. This action will contribute to the real estate market's recovery and lead to more stable growth.

In addition, the government issued Official Dispatch No.1164/CD-TTg asking relevant units to adhere to Decision No.1435/QD-TTg, which stipulates that real estate enterprises must conduct their own product research to meet market demands. Not content with this, several directives were also issued to ministries and sectors requesting an examination of market and business bottlenecks such as credit and bond issuance.

An Viet Hoa Real Estate Investment's general director Tran Khanh Quang believes that the SBV's decision to boost the available credit will generate optimism in the real estate sector.

Due to a scarcity of funding, quite a few real estate projects are being developed, however,

homebuyers confront challenges because they lack access to loans to purchase a property. The unfettered flow of funds will enable investors to continue implementing their projects and prospective homeowners will be more able to achieve their goal of settling down.

Dr. Tran Kim Chung, chairman of CT Group, concurred and expressed optimism about the real estate market's funding source. Credit will be more readily available in 2023 than in 2022 as a result of the decision to increase limits for commercial banks, generating momentum for companies to function in 2023.

Moreover, the source of capital from the stock market is tending to expand once again. If the stock market climbs to 1,300-1,400 points, significantly more funds will be invested in the economy and real estate market.

In addition, the bond market is rebounding steadily. This remains a significant source of money for the economy and the real estate sector. Chung expressed hope for a prosperous market in 2023 based on these encouraging factors.

Luc said that based on Vietnam's economic prospects this year, the real estate market is indicating favourable conditions. The economy will rebound rapidly, the growth drivers will return more robustly, including the revival of domestic tourism, core inflation will remain under control, and the interest rate will climb in accordance with the forecast.

In addition to economic reform, institutional development, public investment, the digital economy, the green economy, and the circular economy will be supported. There are also

encouraging signs from the government regarding the elimination of legal obstacles.

"The government's special task force is examining tens of thousands of projects with legal issues and is also stepping in to eliminate complications," Luc explained.

In addition, Nguyen Quoc Anh, deputy general director of Batdongsan.com.vn, predicted that the market would exhibit symptoms of reversal and equilibrium by the end of 2023. The market is anticipated to expand more rapidly in 2024.

Regarding the 2023 market trend, a greater emphasis will be placed on real estate assets with genuine worth that create cash flow to assist real estate purchasers in mitigating the present challenges. When the market rebounds, speculative items that were the first to fall will be the first to soar.

According to Quoc Anh, given the present market circumstances that continue to exist, properties like flats and townhouses may provide purchasers with capital gains and more stable cash flows.

"According to a study of market brokers, over 50 per cent of respondents believe the market will rebound in the second quarter of 2023. This is a good indicator of market players' confidence," said Quoc Anh.

Quoc Anh also stated that in order to adapt to the current market reality, real estate companies must make the necessary adjustments, restructure their business activities, and patiently await signals from interest rates, credit growth, and the government's efforts to eliminate legal obstacles.

7. Hanoi set to become leading Southeast Asian innovation hub

The goal, which has been mapped out by the local government, is aimed at turning Hanoi into a major national center of innovation, research and

development (R&D), and technology transfer and a leading Southeast Asian innovation hub.

Hanoi has made science-technology and innovation the motivation for economic growth, better productivity, and less labor-intensive production in line with Politburo's (the most powerful body of the nation) direction on the city's development in the current period.

It sets a number of goals, including that the total factor productivity (TFP) will make up 50% of the economic growth by 2025 and 55% by 2030 while labor productivity is estimated to reach 7%-7.5% in 2025 and 7.5%-8% in 2030.

Its digital economy is set to account for 30% of GRDP by 2025 and 35% by 2030. The ratio of hi-tech industries is expected to make up 70% of manufacturing by 2025 and 85% by 2030.

To make the goals possible, the city will invest 1.2%-1.5% of GRDP and 60%-65% of social resources in science-technology and R&D by 2025 and 1.5%-2% and 65%-70%, respectively, by 2030.

To maintain its position as a national science and technology center, Hanoi will improve its information and database systems to connect with those of the central agencies and localities. The city will connect a network of intermediary facilities in charge of technology appraisal, evaluation and assessment, purchase and sale brokerage, technology and intellectual property transfer to meet the demand in Hanoi and the whole country.

Joining the UNESCO Creative Cities Network, Hanoi will effectively implement the network's initiatives to successfully build the "Hanoi - Creative City" which serves as a premise to become a creative design center with the goal of incubating talents in creative design-related fields, supporting potential creative projects, and promoting international cooperation.

In addition, the city will establish an open "Hanoi initiative network" to connect all individuals and organizations at home and abroad to solve important issues arising in socio-economic development.

First significant facilities

So far, some sizable innovation centers have been set up in Hanoi. In late December 2022, Samsung Vietnam officially opened the largest new R&D Center in Southeast Asia. The US\$220-million facility is set to become the leading global center in product development, artificial intelligence (AI), internet of things (IoT), big data, and the fifth generation (5G) network. At the same time, it conducts research and develops mobile devices, including smartphones, tablet PCs, and software and hardware products.

In 2019, Vietnam's first Internet of things (IoT) Innovation Hub was inaugurated at Hoa Lac Hi-Tech Park in Hanoi in collaboration with Ericsson, a Swedish leading multinational networking and telecommunications provider. It provides a platform for startup companies as well as organizations involved in education and research to promote IoT technology in Vietnam in the context of the Fourth Industrial Revolution (Industry 4.0).

The move is to serve Vietnam's plan to provide 5G coverage nationwide by 2030. It will take time to roll out 5G coverage across the country. Due to their greater demand for high-speed services and denser populations, major cities like Hanoi, Ho Chi Minh City, and Danang have been prioritized for the deployment of 5G.

In a recent test, Viettel, Ericsson, and Qualcomm worked together to establish 5G data transmission speeds of more than 4.7Gb/s, which is more than 40 times faster than 4G and more than twice as fast as the current 5G network.

Corporate News

8. DBC: BOD resolution

↑ 4.95%

The Board resolution dated January 02, 2023, the BOD of DABACO Group approved contents details as follows:

1. Approving the business plan for 2023:

- Revenue: VND24,562 billion
- Profit before tax: VND633 billion
- Profit before tax: VND569 billion.

2. Approving to merger Dabaco High - Tech Agriculture company limited into Investment and Development Breed Processing Company Limited.

3. Approving to set up subsidiary:

- Name of subsidiary: Dacovet Pharmaceutical and Animal Health Company Limited

- Charter capital: VND50,000,000,000 (DABACO Group distributed 100% of Charter capital)

- Mr. Nguyen Chi Thanh as Director cum legal representative at Dacovet Pharmaceutical and Animal Health Company Limited.

4. Approving to appoint Mr. Nguyen Thanh Quang as Director cum legal representative at DABACO Oil Company Limited.

5. Approving the resignation of Mr. Nguyen Khac Thao as Director cum legal representative at DABACO Oil Company Limited.

6. Approving to appoint Mr. Le Minh Tuan and Mr. Do Viet Quan as Deputy CEO at DABACO Group as from January 03, 2023.

9. LPB: Result of bond repurchase before maturity

↑ 0.37%

On December 30, 2022, Lien Viet Post Joint Stock Commercial Bank reports the result of the repurchase of bonds before maturity as follows:

Unit: VND.

No.	Bond code	Par value (VND)	Term	Issue date	Maturity date	Issue volume (at par value)	Outstanding volume	Repurchase volume	Execution date	Remaining volume after the repurchase (at par value)
							(at par value)	(at par value)	(at par value)	
1	LPB7Y202002	10,000,000	07 years	12/23/2020	12/23/2027	435,720,000,000	435,720,000,000	435,720,000,000	12/23/2022	0

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