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Market Analysis

1. Market's uptrend may slow down in the near future

The market's uptrend in the near future may slow down and the risk of correction is increasing, brokerages have said.

The market's gaining momentum lingered in the first session of the Year of the Cat, said Viet Dragon Securities Co. However, the uptrend somewhat slowed down before the profit-taking supply, as shown by the Shooting Star candle.

On the Ho Chi Minh Stock Exchange, the VN-Index gained 0.81 per cent, to close Friday at 1,117.10 points.

On the Ha Noi Stock Exchange, the HNX-Index rose 0.40 per cent to close Friday at 220.76 points.

"Market still remained in green at the end of the session, showing that the pressure of supply is not great. It is expected that the market will temporarily step back in the next session to find a balance after the recent rise," said Viet Dragon Securities Co.

"Therefore, investors should slow down and observe the cash flow to support the market in the near future. However, it is possible to wait for good price accumulation in stocks with an active accumulation background.

"The market's uptrend in the near future may slow down and the risk of correction is increasing."

Saigon-Hanoi Securities Co (SHS) said the VN-Index had entered a new phase of accumulation to wait for the opportunity to create a real uptrend. The market situation, although not yet confirmed as an uptrend, will move in the recovery phase

and will create many opportunities for investors including short, medium and long term.

In the short term, the current rally can push VN-Index to move toward 1,150 points. Short-term investors can disburse in the next correcting sessions, said SHS.

According to analyst Nguyen Huy Phuong from Viet Dragon Securities Joint Stock Company (VDSC), the market's uptrend continued in the first session of the Year of the Cat. However, the uptrend somewhat slowed down amid profit-taking. It is expected that the market will temporarily step back in the next session to find a balance after the recent uptrend.

Analyst Pham Binh Phuong from Mirae Asset Securities said that the market started the new year on a positive movement, but selling pressure at high prices appeared again after a long Tet (Lunar New Year) holiday. The above movement shows that the short-term trend of VN-Index is positive. "We see that the 1,120 - 1,130 zone may witness shaking sessions," said analyst Phuong.

Regarding the transactions of foreign investors, they continued to be active net buyers last Friday.

Foreign investors net bought VND518.88 billion on HOSE, including Hoa Phat Group (HPG) with VND174.05 billion, Vingroup (VIC) with VND91.37 billion, HCM Securities Co (HCM) with VND65.11 billion. Foreign investors were net buyers on HNX with the value of VND33.43 billion.

In the next trading sessions, VN-Index is likely to continue going up to conquer the resistance level of 1,150, said BIDV Securities Co.

Macro & Policies

2. Positive prospects for Vietnam's stock market this year

Indices recorded a new high and closed above the resistance area of 1,100 points of VN-Index, equivalent to 1,120 points of the VN30-Index. Although cash flow has not improved much, supply pressure has not put great pressure on the market.

The market is expected to continue to be supported and gain points in the next trading sessions. Therefore, investors can still expect the market's ability to expand the uptrend and exploit some short-term opportunities in stocks with positive accumulation background, said Viet Dragon Securities Co.

The market continued to record new highs and surpassed the resistance zone of 1,100 points of the VN-Index in the last trading week.

2022 was an eventful year for the Vietnamese stock market with many records set.

After a prosperous 2021, the VN-Index continued to stay at its historic peak for the first three months of 2022. However, the market then declined, putting itself on the list of markets with the sharpest decreases in the world. As of December 27, the VN-Index had dropped to 1,004.57 points, or 34.2 per cent lower than the 1,520-point gained in April.

In some months in 2022, half a million trading accounts were opened. Foreign investors' net purchases reached a record high. The liquidity of some shares at times reached hundreds of millions of units each trading session.

In November and December, the market witnessed the strongest recovery sessions in the world.

In 2023, economic growth will be somewhat slower than the previous year. Some pressure from tight monetary policy in the world will make money flow into the stock market more difficult, said La Giang Trung, CEO of Passion Investment Co.

He added: "Two major factors affecting the stock market in 2023 are cash flow and the process of restructuring and shifting resources of the economy. If interest rates continue to rise sharply, the stock market will face difficulties, whereas when interest rates cool down, it can help the market grow.

"I am quite optimistic about the picture of the stock market in 2023. The first three to six months of the year will be a period of continued difficulties. But when the difficulties are over, the monetary policy will start to be loosen, which will open a new cycle for the stock market. Then the market will easily conquer new height in the following years."

There are two scenarios for the stock market in 2023. Firstly, the bottom of the VN-Index this year will not be lower than the level of 873 points set in 2022, and the market will go up gradually.

Secondly, the VN-Index will look for a new bottom before recovering at the end of the year. The market may fall to the old bottom of about 780-800 points, this possibility becomes real if the US economy falls into a sharp recession in 2023.

With the forecast that monetary policy will be eased soon in the second quarter of 2023, the market can increase by 50 per cent from the bottom, equivalent to 1,200 points at the end of this year. In 2023, there may be quite big fluctuations, but the general trend towards the end of the year is still positive, Trung said.

3. Steel industry to gradually recover in 2023

Domestic steel demand is expected to keep falling due to the property market slump and tightened monetary policy, economic downturn in many

export markets and a rise in supply making the outlook for the industry in 2023 poor, analysts said.

SSI Securities Corporation said the steel industry had a difficult 2022 with both exports and domestic sales decreasing in the second half of the year, and prices falling from the end of the year.

Businesses' profits went down significantly as a result.

Analysts at VNDirect Securities Company said most steel companies reported dismal results.

With the property market remaining in a slump, prospects for 2023 remain gloomy, especially in the first half of the year, they said.

SSI Research said the stagnant real estate market and tightened monetary policy would drag down steel demand this year.

Citing data from the Ministry of Construction, it said the number of apartment projects licensed for construction in the first three quarters of 2022 plummeted by 41% year-on-year, and delayed projects are likely to be further delayed with developers facing liquidity problems.

It forecast domestic demand for finished steel products to decline in single digit in 2023, with the acceleration in public spending possibly making up for the reduced demand from households.

VNDirect estimated public spending to increase by 20-25% this year.

SSI Research said exports would recover slowly because of the global economic downturn.

The World Steel Association said demand is expected to recover by 1% to 1.8 billion tonnes in 2023 after falling by 2.3% in 2022.

Demand in the US and European markets is expected to decline this year as a result of the economic downturn, but the Southeast Asian market is likely to remain steady.

Vietnam's exports to traditional trading partners could be affected by the capacity increases in recent years in neighbouring countries such as Malaysia, Indonesia and the Philippines, it warned.

So shipments of finished steel products could fall by more than 10% this year, it said.

But steel prices might be less volatile in 2023 due to steady demand in China. After falling by 2-4% in 2022, Chinese demand is expected to remain flat or rise by 1-2%, driven by the country's reopening.

Major global manufacturers have cut their output after a long period of losses.

These factors could help regional steel prices remain steady though it is unlikely there will be strong rise since China's reopening will also see an increase in supply.

Current prices are 20-40% higher than before the COVID-19 pandemic.

Steady prices could help steel companies stabilise profits though the weak demand would put pressure on revenues and profit margins and the price gap between Vietnam and other markets is narrowing.

SSI said profits would decline in the first half and gradually recover by the end of the year thanks to a possible demand recovery in both domestic and export markets.

4. Australia's Victoria state pins hope on Vietjet's launch of flights

Minister for Trade and Investment of Victoria state of Australia Tim Pallas has announced Vietnamese carrier Vietjet's decision to choose Melbourne city as the destination for its first flights to Australia and establish its office in the state.

Pallas said the presence of a carrier from Southeast Asia is a victory of Victoria state's economy and brings job opportunities to the locality, reflecting the state's tourism and export strengths.

VietJet will run three direct weekly flights from Ho Chi Minh City to Melbourne airport from April and will develop it into a daily service in December 2024. Its flights are expected to bring more than 136,000 passengers to Melbourne each year and add 97 million USD annually to the state's economy.

VietJet will be the second Vietnamese airline to operate flights to Melbourne since after the COVID-19 pandemic. Previously, Vietnam's new-generation Bamboo Airways also launched the service in April 2022.

Vietnam is now the ninth largest importer of Victoria state, with 113 million AUD (80.5 million USD) worth of Australian goods transported via airway during 2021-2022, up 77% compared to 2020-2021.

Victoria state is also a popular tourist and study destination for Vietnamese. About 9,500 Vietnamese students are currently studying at its educational institutions. Before the pandemic, about 53,500 Vietnamese visitors arrived in Victoria, or nearly half of all Vietnamese arrivals in Australia in 2019.

5. Local game developers eye great opportunities at home

The bustling game market in Vietnam is offering numerous opportunities for developers, according to experts.

Le Quang Tu Do, Director of the Authority of Broadcasting, Television and Electronic Information under the Ministry of Information and Communications (MIC), cited data from App Annie 2020 showing that Vietnam ranked seventh in the world and second in Southeast Asia in the number of game downloads.

Meanwhile, the country also ranked third in the top 10 game application manufacturers in the region. For every 25 games downloaded, there is one produced in Vietnamese studios. According to the statistics of Sensor Tower and the Vietnam Game Studio Club, there are currently about 5,000 games produced by Vietnamese people, mostly for children, entertainment, and education.

Do said that the wage of each game developer in Vietnam is about 187 million VND (7,975 USD) per year, while that of each artist is about 389 million VND (16,590 USD) annually, which is higher than the average income of Vietnamese people.

Currently, many training establishments have provided intense training programmes in game-related areas, meeting the demand for human resources of the domestic game market.

A report from domestic game enterprises showed that revenue of the sector reached over 7 trillion

VND (298.47 million USD) in 2021, which was estimated at over 10 trillion VND in 2022.

According to experts, in 2021, Vietnam surged as the "capital" of applying blockchain technology and non-fungible tokens (NFTs) with a series of games produced and published by Vietnamese people.

Pham Van Thanh, Director of VTC Game, said that a young population with more than half under the age of 25, coupled with the prevalence of the Internet and the high rate of mobile device usage, is an important advantage of Vietnam in making a breakthrough for the game market.

Besides being a potential market in terms of revenue, Vietnam has for many years become a reliable "outsourcing" destination of major game publishers in the world.

According to Do, MIC is building a strategy for game development in the 2022-2027 period with a aim to design policies to protect and promote game manufacturing in Vietnam, reducing its dependence on foreign-published games and increasing the income of domestic firms, while preventing violations in the field.

At the same time, the sector will pay greater attention to human resources for game sector and build a network of global data centres to serve developers and publishers in the Vietnamese market.

Do advised local gameproduction and publishers to coordinate with one another for long-term and sustainable development, while expanding their

market and exporting their products to promote the culture and image of Vietnam.

6. Hai Phong aims to become an international logistics centre

The northern city of Hai Phong aims to become a regional and international logistics centre due to its many advantages as a transportation hub for all five types of traffic, including sea, road, air, railway, and inland waterways.

This objective is highlighted in the northern city's service sector development project for 2030, with a long-term vision to 2045, including logistics services.

The city is also studying to develop a project to establish a free trade zone, considered a breakthrough solution to exploit the best advantages in the logistics sector of Hai Phong.

The Politburo's Resolution 45 on building and development of Hai Phong city by 2030, with a vision to 2045 also states that Hai Phong must be built into a national logistics service centre by 2025.

"By 2030, it will become a modern international logistics service centre with sea, air, highway and high-speed rail".

According to former Secretary of the Hai Phong city Party Committee Tran Luu Quang, who has been appointed to the Government's Deputy Prime Minister, to develop logistics services, Hai Phong will promote administrative reform and digital transformation in the field of seaports and logistics.

It will strengthen investment attraction and trade promotion, and form logistics service chains with high added value and regional linkages.

According to the Ministry of Industry and Trade, Hai Phong has great advantages in infrastructure of seaports, fishing ports, warehouses for industrial production, and import and export activities of goods.

At the same time, some of 14 industrial parks (IPs) are built on the basis of logistics services to increase connectivity among enterprises at the supply chains.

In the past, Hải Phòng has focused on investing and upgrading seaport infrastructure in line with the development trend of regional and international shipping. Its transport system is improved and more synchronous.

Many projects on developing logistics centres in industrial zones and economic zones (EZs) have also received licences of investment, such as a logistics centre invested by KM Cargo Services Hai Phong Co, Ltd with a capital of 34.8 billion VND; a logistics project with total investment capital of 35 million USD developed by ECPVN Hai Phòng 1; JD Property Logistics Park Hai Phong 1 project in the non-tariff zone and Nam Dinh Vu Industrial Park with a total investment of 32 million USD. Those have created new opportunities for the logistics service industry in Hai Phong.

Quang said that in 2022, traditional and advantageous service sectors such as seaport and logistics services have made strong developments. They have actively contributed to the socio-economic development of Hải Phòng and the northern key economic region.

Hai Phong's growth rate of logistics services is about 20-23% per year and this sector has accounted for 13-15% of the city's GRDP.

The volume of goods through the ports in the city has grown strongly, accounting for a large market share in the seaport system of the country.

Pointing to the service's shortcomings, Dan Duc Hiep, former Vice Chairman of the municipal People's Committee, said that Hanoi has about 1,000 enterprises registering to provide logistics services, but they have limited competitiveness and a low market share.

The majority of cargo volume via Hai Phong seaport continues to be transported by road, putting great pressure on the transport system.

Meanwhile, transporting goods by rail and inland waterway is still weak.

There is also the problem of labour shortage, especially high-quality labour. Logistics and production enterprises of Hai Phong are always in a serious shortage, especially logistics sales staff, logistics information technology staff, and staff coordinating transportation and warehouse operations.

At the same time, most employees of enterprises lack logistics knowledge and skills. This will be a big challenge for the development of the service in the future.

According to forecasts, Hai Phong needs about 369,000 logistics workers by 2025, including 252,600 trained workers. By 2030, this number will increase to 460,000 employees, including 368,000 trained workers.

Human resources for the logistics sector in Vietnam in general and Hai Phong in particular will still lack in both quality and quantity for many years in the future. The human resource at present meets only about 40-45% of the industry's needs.

Therefore, Hai Phong needs to have a strategy on sustainable development of human resources for the logistics sector, Hiep said.

7. Vietnamese furniture products introduced at UK exhibition

Furniture products of six Vietnamese businesses were displayed at the January Furniture Show (JFS) 2023, the largest annual furniture show in the UK, at the National Exhibition Centre (NEC) in Birmingham from January 22-25.

The Vietnamese booths, featuring interior and exterior wooden and home décor products, handicrafts, hotel furniture, and lighting equipment, attracted many UK wholesalers and retailers, as well as visitors.

Vietnamese Trade Counselor in the UK Nguyen Canh Cuong said the exhibition has offered a good opportunity for Vietnamese firms to introduce high quality products and meet potential importers and distributors.

As the third largest furniture producer and exporter in the world, and the largest in Southeast Asia, Vietnam boasts products meeting requirements of the UK market, he said, stressing that Vietnam needs to actively attend fairs like JFS in order to seek and set up partnerships with British businesses.

Zoe Bonser, Retail Manager of NEC, said that with more than 15,000 visitors, JFS gives a great chance to businesses, and those from Vietnam in particular, to gain easier access to the UK market.

In 2022, Vietnam earned 239.66 million USD from exporting wood and wood products to the UK, accounting for nearly 4% of its total export value to the European country.

According to the Vietnam Trade Office in the UK, the export of wood products and handicrafts to the UK sees a good prospect because this is the world's fifth largest furniture market, and the second largest in Europe with a forecast annual growth of 3.2% for the 2021-2026 period. In particular, many wood products will enjoy a tax rate of 0% within the next five years inline with the UK – Vietnam Free Trade Agreement (UKVFTA).

The Vietnam Timber & Forest Products Association (VIFORES) reported that the country's furniture exports hit an estimated 16 billion USD in 2022. The

wood industry has set a target of earning 25 billion USD in export value by 2030.

international brands. This year's event attracted more than 22,000 businesses.

Held annually since 1990, JFS has introduced about 50,000 products of over 500 national and

Corporate News

8. PLX: Adjusting the plan for the divestment at BMF

↑ 0.26%

The Board resolution dated January 16, 2023, the Board of Directors of Viet Nam National Petroleum Group approved the following contents:

1. Approved the Company continues to implement the share auction of Dong Nai Building

Material and Fuel JSC (BMF) owned by Viet Nam National Petroleum Group at the Hanoi Stock Exchange (HNX).

2. Approved the adjustment of the selling price (Beginning price) to VND40,900/share.

9. GEX: Report on using capital from the offering

↑ 2.08%

GELEX Group Joint Stock Company reports the progress of using capital from the issuance with details as follows:

1. Information on stock issuance:
 - Stock name: GELEX Group Joint Stock Company
 - Stock type: common share
 - Par value: 10,000 dong
 - Issuance volume: 851,495,793 shares
 - Total mobilized proceeds: VND 3,536,971,940,000
 - Ending date: July 16, 2021

II. Plan for using capital from the offering:

1. The progress of using capital according to the plan announced:

No.	Content	Amount (VND)	Using time
1	To implement the project of wind electricity factory via Gelex Infrastructure Joint Stock Company.	920,000,000,000	After the ending of the offering and the progress of actual capital use.
2	To implement the project “hotel complexes, commercial services, offices for lease” at No.10 Tran Nguyen Han & No.27-29 Ly Thai To, Ly Thai To ward, Hoan Kiem district, Ha Noi.	1,000,000,000,000	After the ending of the offering and the progress of actual capital use.
Total		1,920,000,000,000	

2. Current project progress:

No.	Content	Amount (VND)	Amount used up to January 16, 2023 (VND)
1	To implement the project of wind electricity factory via Gelex Infrastructure Joint Stock Company.	920,000,000,000	Finished from July 22, 2021
2	To implement the project “hotel complexes, commercial services, offices for lease” at No.10 Tran Nguyen Han & No.27-29 Ly Thai To, Ly Thai To ward, Hoan Kiem district, Ha Noi.	1,000,000,000,000	490,093,563,013
Total		1,920,000,000,000	1,410,093,563,013

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