



# VIETNAM DAILY NEWS

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## Market Analysis

### 1. VN-Index ends losing streak on pillar stocks

Indices were mixed on Tuesday, with the VN-Index escaping the recent downtrend on back of pillar stocks.

The market's benchmark VN-Index gained 3.43 points, or 0.34 per cent, to finish the day at 1,024.68 points, recouping from the recent losses.

It fell more than 18 per cent on Monday to nearly two-month low at 1,021.25 points.

The market's breadth was positive, with 180 stocks on HoSE adding points, while 130 ticker symbols declined.

Liquidity, however, continued to decrease. Of which, the trading value on the southern bourse was more than VND6.48 trillion (US\$272.5 million), equal to a trading volume of nearly 433 million shares.

The index's reversal was mainly driven by gains in large cap stocks, with the 30 biggest tracker VN30-Index up 3.5 points, or 0.35 per cent, to 1,014.96 points. Eighteen stocks of the VN30 basket rose, eight stocks went down while four stayed unchanged.

On the Ha Noi Stock Exchange (HNX), the HNX-Index extended losses to sixth sessions. It finished Tuesday at 202.38 points, down 0.89 points, or 0.44 per cent.

The liquidity on three stock exchanges hit record low of over VND7.4 trillion. The low liquidity

capped the VN-Index's morning gain as it was up nearly 1.3 per cent earlier in the session.

Leading the uptrend were pillar stocks in banking, manufacturing, and realty industries. These stocks were Vietcombank (VCB) up 0.75 per cent in market capitalisation, Masan Group (MSN) up 2.63 per cent, Vinhomes (VHM) jumped 1.47 per cent, and Vincom Retail (VRE) up nearly 3.7 per cent.

On the contrary, great losses of Techcombank (TCB), Vietnam Airlines (HVN), PV Gas (PVG), and BIDV (BID) weighed on the market.

Analysts from Saigon - Hanoi Stock Exchange (SHS) said that in the short term, the market is in the risk zone as there is a rising possibility that the benchmark will enter the medium-term downtrend channel. Therefore, short-term disbursement chances contain many risks.

"The opportunity to disburse only appears if investors aim at medium and long-term investments. The medium-long term investment strategy should be gradual disbursement according to the movements of the market," SHS said.

On Tuesday, the market also received some support from foreign capital inflows. Accordingly, they net sold a small amount of VND448.06 million on HoSE, while net bought VND16.76 billion on HNX.

## Macro & Policies

### 2. February CPI up 0.45% as petrol, housing prices increase

This month's CPI and core inflation increased by 4.6% and 5.08% year-on-year, respectively.

Among the 11 main commodity groups, five marked a month-on-month increase in prices, and the rest registered a decline.

Transport services reported the highest rise of 2.11% mostly due mainly to a 5.66% increase in oil and petrol cost, followed by housing and construction materials at 1.81% partly because of gas prices being up 14.56% since February 1.

The prices of other goods and services; household equipment and appliances; and medicine and health services inched up by 0.12%, 0.09%, 0.02%, respectively.

In contrast, the cost of education; restaurant services; beverage and tobacco; post and telecommunications services; apparel, footwear and hat; culture, entertainment and tourism were cut by 0.57%, 0.17%, 0.12%, 0.08%, and 0.02%, respectively.

### 3. Vietnam enjoys trade surplus of over 2.8 billion USD in two months

According to the office, so far this year, the country has exported 49.44 billion USD worth of goods, down 10.4% over the same period last year, with 37.92 billion USD coming from the foreign-invested sector, accounting for 76.7%.

In February alone, total export revenue is estimated at 25.88 billion USD, up 9% over January and 11% year on year.

In the first two months of 2023, eight kinds of products recorded exports of over 1 billion USD, accounting for more than 69.9% of the total. Particularly, three enjoying revenue of over 5 billion USD.

The manufacturing-processing sector contributed 44.38 billion USD to the country's total export revenue, accounting for 89.8%, while agro-forestry sector made up 6.9%, fisheries 2% and fuel and minerals 1.3%.

In January and February, the country spent 46.62 billion USD on importing goods, down 16% year on year, mostly on production materials. In February, the figure dropped 6.7% over the same period last year to 23.58 billion USD.

In the first two months of this year, imports of 13 groups of goods exceeded 1 billion USD, with two recording exports of more than 5 billion USD.

So far this year, the US has remained the largest export market of Vietnam with a revenue of 13.1 billion USD, while China has been the biggest import market with a value of about 14.6 billion USD.

In the January-February period, Vietnam's trade surplus with the EU is estimated at 4.8 billion USD, up 1.8%. Meanwhile, the country has suffered a trade deficit of 6.4 billion USD with China, 4.7 billion USD with the Republic of Korea, 1.5 billion USD with ASEAN countries, and 237.2 million USD with Japan.

To meet the target of about 6% growth in export revenue this year, the Ministry of Industry and Trade has asked businesses to actively improve the competitiveness of their products, while expanding their export markets.

The ministry will strengthen the exploitation of potential markets nearby, while switching to official export channels in association with the building of trademark. The ministry will also renovate its trade promotion activities and develop digital infrastructure to increase distributions through e-commerce platforms.

Besides, the ministry will organise training courses for businesses and supporting them to make full use of free trade agreements.

#### 4. FDI inflows drop significantly on-year

According to the Ministry of Planning and Investment's Foreign Investment Agency (FIA), the total FDI in the first two months of 2023 stood at \$3.1 billion, equivalent to only 62 per cent of the same period in 2022.

As many as 261 new projects were granted investment registration certificates with the total registered capital of over \$1.76 billion, equivalent to over 280 per cent on-year. The adjusted capital of 133 ongoing projects reached about \$535.4 million, down 85.1 per cent on-year. There were 440 capital contributions and share purchases as of February 20, equivalent to \$798 million and showing an increase of 3.7 per cent on-year.

The country's disbursed capital was \$2.55 billion in the first two months, equivalent to a slight decrease of 4.9 per cent.

The FIA census also indicated that FDI was seen in 17 out of the 21 economic sectors in the first two months. Of those, processing and manufacturing took the lead with \$2.17 billion, capturing 70.1 per cent of total FDI inflows. Real estate ranked second with \$396.9 million, making up 12.8 per cent of the total, followed by wholesale, retail, and logistics and warehouses with \$202.1 million and \$142 million respectively.

Singapore was the top foreign investor in Vietnam with \$978.4 million, accounting for 31.5 per cent of the total foreign investment into the country. Taiwan came second with \$407.1 million and the Netherlands third with \$369 million.

Bac Giang attracted the largest amount with \$824.3 million, followed by Ho Chi Minh City with \$369.1 million, Binh Duong with just over \$342 million, Quang Ninh with \$332 million, and Dong Nai with \$215.7 million.

The export turnover of foreign-invested enterprises reported a decrease of about 5.3 per cent on-year to roughly \$38.4 billion (including crude oil) or \$38.1 billion (excluding crude oil), making up more than 76 per cent of the total export value of the country. Import turnover was estimated at \$33 billion, a decrease of 10.9 per cent on-year, while the trade surplus stood at \$5.4 billion (including crude oil) or \$5 billion (excluding crude oil).

Accumulated to date, the roughly 36,600 valid foreign-invested projects across the country currently boast the total registered capital of more than \$442.3 billion.

#### 5. Agro-forestry-aquatic product exports up 5.7% in February

Vietnam earned over 3.4billion USD from agro-forestry-aquatic product exports in February, a year-on-year increase of 5.7%, the Ministry of Agriculture and Rural Development said.

The sector's import-export value in the first twomonths of this year was estimated at 11.99 billion USD, down 16.8% from thesame period last year. Its exports accounted for around 6.28 billion USD, adrop of 22.5%.

After falling to the second position among Vietnam'simporters, China returned to the top spot in the first two months of the year with 1.27 billion USD or 20.2% of the market share. It was followed by the USwith some 1.19 billion USD; Japan, 563 million USD; and the Republic of Korea,302 million USD.

Items that saw hikes in export revenues includedtea, up 5.1%; fruits and vegetables, 17.8%; cassava and

cassava products, 32.7%; milk and dairy products, 10.2%; and meat and by-products, 14.2%.

Meanwhile, such staples as coffee, rubber, rice, cashew nuts, pepper, tra fish (pangasius), shrimp, wood and wooded products, and rattan and bamboo products experienced decreases.

To promote the consumption of farm produce, the ministry said it will step up market development, remove barriers and facilitate domestic sales and exports, while utilising free trade agreements (FTAs), especially the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and the EU-Vietnam Free Trade Agreement (EVFTA).

The sector will also continue its coordination to support the protection of trademarks and

geographical indications for Vietnam's potential export items abroad. It proposed the government build a decree on the management of Vietnam's national agricultural product brands.

Representatives from the ministry will hold working sessions with China's Nanning and Yunnan customs forces to seek ways to promote trade and remove obstacles to agro-forestry-aquatic product exports.

The ministry will also organise a forum on fruit and vegetable exports within the framework of Hortex Vietnam 2023, an International Exhibition & Conference for Horticultural and Floricultural Production and Processing Technology, slated for early March.

## 6. More attention must be paid to varieties to increase fruit exports

Plant varieties, which aim to stimulate the development and distribution of novel plant varieties, take on critical significance in this context.

Exporting Long Dinh 1 red-flesh dragon fruits poses challenges, as certain markets mandate that export firms possess the plant variety right of this fruit. Fortunately, the Hoang Phat Fruit Co. Ltd. has secured the plant variety right for Long Dinh 1 red-flesh dragon fruit from the Southern Fruit Research Institute.

This firm lawfully registered the intellectual property right for this fruit in 2016, with a duration of 20 years.

In January 2023, several enterprises, such as Yasaka Fruit Processing Co. Ltd. and Green Sprout Import-Export Co. Ltd., could not export Long Dinh 1 red-flesh dragon fruits to Japan because of problems relating to dragon fruit variety right.

Dang Phuc Nguyen, general secretary of the Viet Nam Fruit and Vegetables Association, said the company that has bought the plant variety right

and the research work on Long Dinh 1 red-flesh dragon fruit is permitted to export this fruit. Therefore, other subjects using that variety for export violate intellectual property rights.

For fastidious markets such as Japan, the US, Australia, and the EU, Vietnamese exporters are often asked for documents on plant variety, Nguyen said.

This problem has caused negative consequences and losses for the export activities of many cooperatives, farmers and enterprises of red flesh dragon fruits.

On February 16, the Department of Crop Production under the Ministry of Agriculture and Rural Development held a meeting in HCM City to find solutions for this issue. The meeting had participation from the Southern Fruit Research Institute and agriculture and rural development departments of provinces having large areas of dragon fruit cultivation, such as Binh Dinh, Binh Thuan, Long An and Tien Giang, and representatives of several associations and businesses.



According to the delegates at the meeting, the State management agencies should soon remove the obstacles in granting variety right to avoid the abuse of monopoly ownership for a certain plant variety which will cause difficulties in farming and exporting fruits and vegetables.

To prevent Vietnamese vegetables and fruits exporting firms from violating intellectual property and protected trademarks at home and abroad, policies relating to the registration of plant variety rights should be more reasonable. That will create a competitive advantage for Vietnamese fruit and vegetable exports in foreign markets.

As well as LD1 red flesh dragon fruit, many experts have suggested that localities, businesses, facilities producing plant varieties, cooperatives and farmers need to focus on the plant variety right for Vietnamese durian varieties to avoid future troubles.

Especially, Viet Nam is now promoting the official export of Vietnamese durians to China, and those fruits have to compete directly with Thai durian, the biggest competitor in this market.

Nguyen was quoted by vnbusiness.vn news site saying that China now has no requirements for the plant variety rights for Vietnamese durian fruits, but other markets often ask for this right. Therefore, it is necessary to register the right or protected varieties for Vietnamese durian in the long term.

So far, the National Office of Intellectual Property, under the Ministry of Science and Technology, has granted a certificate of trademark registration on Krong Pac Durian in Dak Lak Province and Ri 6 durian variety. It has issued the Geographical Indication registration certificate No. 00080 for Cai Mon durian in Ben Tre Province.

#### Exports in 2023

Viet Nam expects to achieve an export value of US\$4 billion from fruits and vegetables this year, given the rosy signs recorded recently, according to

an official of the Viet Nam Fruit and Vegetables Association.

The association's secretary general Dang Phuc Nguyen said with China's complete re-opening of borders, businesses now have many export advantages and can cut down expenses. Goods will be exported in bigger volumes and enjoy faster customs clearance, ensuring better product quality.

China, the biggest market of Vietnamese fruits and vegetables, reopened its borders at the beginning of 2023, giving Viet Nam several opportunities to increase shipments there. Especially, fruit export holds many chances as this market always has a high demand for farm produce imports.

In addition, many protocols were signed between Viet Nam and China last year to boost the export of Viet Nam's agricultural products via the official channel to China. They are opening the door wider for local fruits to enter this market.

In 2022, Viet Nam gained \$3.4 billion from fruit and vegetable exports. Of which, durian shipments alone brought home over \$420 million, mostly in the fourth quarter, after the fruit had gained the green light to enter China via the official channel.

Durian exports to China are likely to generate \$1 billion in 2023, bringing the total fruit and vegetable export value to \$4 billion, Nguyen said.

The EU has also removed four herbs of Viet Nam from the list of those controlled at a frequency of 50 per cent, namely parsley, coriander, basil, and mint.

It is expected to help boost the recovery of herb production and export to the EU, Nguyen said.

Besides that, the return of the International Exhibition & Conference for Horticultural and Floricultural Production and Professing Technology in Viet Nam, to be held in HCM City in early March, after a two-year hiatus caused by the COVID-19 pandemic, will also open up numerous opportunities for the sector.

Nguyen Dinh Tung, general director of Vina T&T Group, said that in January, his firm saw a year-on-year increase of 30 per cent in fruit export orders. The shipments of pomelo to the US and durian to China contributed much to this growth.

Given this, he noted that the company is confident in achieving the growth target of 30-40 per cent in 2023.

Sharing the belief in a bright export outlook, Ngo Tuong Vy, general director of the Chanh Thu Fruit Export - Import Co. Ltd., said Vietnamese durian entered China much later than that from Thailand and Malaysia. Still, its quality is comparable to the rivals'. This is a basis for the business to improve quality and export volume.

The Chanh Thu company can double its durian sales to China in 2023, she said.

## 7. Government requests quick completion of Power Plan VIII

The Government Office has just announced the conclusion of the Deputy Prime Minister at a meeting to prepare for the conference of the Appraisal Council of the National Electricity Development Planning for the 2021-30 period, with a vision to 2050 (Power Development Plan VIII).

Accordingly, the Deputy Prime Minister requested the Ministry of Industry and Trade to complete the power planning to ensure energy security, provide enough electricity for socio-economic development and people's lives; and take management measures in the context of many fluctuations in the energy industry.

Therefore, "this plan must soon be completed and approved for implementation to firmly ensure energy security, national defence and security of the country," the announcement stated.

The Deputy Prime Minister requested the Ministry of Industry and Trade to complete the Power Development Plan VIII so that the management and implementation of the plan is both proactive and flexible.

The master plan must also distribute resources to transmission infrastructure; and it is necessary to have detailed energy plans and projects after planning.

At the same time, the Ministry of Industry and Trade also needs to ensure the structure of power sources, fulfill international commitments on climate change; balance regional supply and demand optimally and reasonably to reduce the volume of electricity transmission grid investment, reduce power loss and have the most reasonable electricity prices; study and apply smart grid; calculate and complete more contents related to self-consumed electricity, selling electricity on the spot, and direct electricity buying and selling.

Deputy Prime Minister Tran Hong Ha also directed to clarify the basis for bringing renewable power sources from the revised Power Plan VII to the Power Plan VIII; ensure synchronous investment in transmission infrastructure, balance sources, assess socio-economic impacts, and supplement the explanation of solar power data in the planning.

Currently, the Ministry of Industry and Trade has submitted the sixth time to the Prime Minister for consideration and approval.

The report in November last year states that the total capacity of power plants will be about 121,757-145,989MW, excluding rooftop solar power, separate load power supply and cogeneration, by 2030.

Oriented to 2050, the total capacity of power plants is about 368,461-501,608MW.

## Corporate News

### 8. FIR: Result of stock dividend payment (correction)

↑ 0.96%

First Real Joint Stock Company has reported the result of share issue for dividend payment as follows:

#### I. Information on stock:

1. Stock name: Stock of First Real Joint Stock Company
2. Charter capital: VND446,150,150,000
3. Number of outstanding shares (before the issuance): 44,615,015 shares
4. Number of treasury shares (before the issuance): 0 share
5. Stock type: common share
6. Stock code: FIR
7. Par value: VND10,000/ share
8. Exercise ratio: 20%
9. Number of shares expected to be issued: 8,923,003 shares

10. Purpose: to pay stock dividends
11. Ending date: February 14, 2023
12. Estimated trading date: expected in March, April 2023

#### II. Result:

1. Number of distributed shares: 8,922,845 shares
2. Number of distributed shareholders: 507 shareholders
3. Number of fractional shares: 158 shares
4. Plan to deal with fractional shares: The distributed shares will be rounded down. The fractional shares will be cancelled.
5. Total current shares (February 20, 2023): 53,537,860 shares
  - Outstanding shares: 53,537,860 shares
  - Treasury shares: 0 share.

### 9. MSN: Adjusting the result of the public offering of bonds

↑ 2.63%

MaSan Group Corporation announced the adjustment of the result of the public offering of bonds as follows:

1. Bond name: MSNH2227001 bond
  - Total net proceeds from the offering: VND 689,220,000,000 (instead of VND 700,000,000,000)

- Total expenses: VND 10,780,000,000 (instead of VND 0)
2. Bond name: MSNH2227002 bond
    - Total net proceeds from the offering: VND 787,680,000,000 (instead of VND 800,000,000,000)
    - Total expenses: VND 12,320,000,000 (instead of VND 0).



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