



VIETNAM DAILY NEWS



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Market Analysis

1. Shares to rebound this week to retest 1,080 points

Shares are forecast to rebound this week amid rising demand to retest the supply at the area close to 1,080 points, said securities companies.

On the Ho Chi Minh Stock Exchange (HoSE), the VN-Index lost by 0.12 per cent, to close at 1,067.07 points.

The weakening movement in Friday's session turned out to attract bottom-fishing demand and helped the market to significantly narrow down the drop at the end of the session.

"With existing support signals, it is likely that the market will continue to be supported and rally next week to retest the supply at the area near 1,080 points," said Viet Dragon Securities Co.

"Therefore, investors need to observe the supply and demand movements at the resistance zone.

"For the time being, it is still possible to hold or exploit short-term opportunities in some stocks with good technical signals and attracting cash flow. However, it is necessary to consider the possibility of profit-taking at stocks that have recently risen to the resistance zone."

According to Le Anh Tuan, director of Investment Strategy Planning at Dragon Capital Viet Nam, the stock market is now influenced by two factors: monetary policy and profit growth.

Tuan said: "Monetary policy is following a good direction, but not loosening enough for stocks to grow. On the other hand, profit growth is still restrained, forecasting at around 5 per cent in 2023."

The cycle of the stock market is divided into three phases: falling, bottoming and recovering – depending on five criteria of interest rates, exchange rates, liquidity, bankruptcy and profit expectations.

According to Tuan, with the signal of falling interest rates, stable exchange rates, stable liquidity, and unclear profit expectations, the stock market is gradually moving from the bottom to the early stage of the recovery cycle.

He said: "If investors now still expect the market to drop another 15-20 per cent like in 2022, then I would say that it is unlikely to happen. Because in the context of policy shifting from very tight to relatively loosened, the market's downward momentum might slow down."

Regarding investment strategy, Tuan believes that investors should balance their positions, which means not leaving the market but should not adopt short-term buying. This year might not expect too strong surges of the market as it is the year of accumulation, he said.

"This year investors should not expect 30-50 per cent of return. However, in 2023, if you see the market falling, start to accumulate stocks. This is a good time for us to accumulate for a strong growth phase in 2024", said Tuan.

With the current support signal, it is likely that the market will continue to be supported and increase in the near future to re-test the supply at the area near 1,080 points, said Viet Dragon Securities Co.

"Therefore, investors need to observe the supply and demand movements at the resistance zone. For the time being, it is still possible to hold or exploit short-term opportunities in some stocks with good technical signals and attracting cash flow," it said.

"However, it is necessary to consider the possibility of taking profit at stocks that have risen rapidly to the resistance zone recently."

Macro & Policies

2. Vietnam, US seek ways to bolster economic, trade cooperation

Highlighting economic challenges that Vietnam is facing amid trade and geopolitical tensions, participants also focused on the US' policy orientations, and sought measures to adapt to the transition of the global supply chain as well as solutions to increase two-way trade and investment collaboration.

Nguyen Hong Duong, Vice Director of the Asia-America Department under the Ministry of Industry and Trade, affirmed that there is plenty of room for the two sides in both traditional and new areas such as renewable energy, manufacturing-processing, and education.

The two Governments, along with partners, will continue to discuss cooperation frameworks, including the Indo-Pacific Economic Framework for Prosperity, aiming to strengthen the bilateral economic connections and creating benefits for businesses and people of both sides, Duong said.

Vietnamese Consul General in San Francisco Hoang Anh Tuan underlined the importance of international trade and investment to the country's growth and economic development.

He said that the US is one of the leading partners of Vietnam in all cooperation pillars.

Oregon state, one of the startup hubs of the US with strength in education, can be a promising land for Vietnamese businesses, he said, expressing his belief that a sound partnership between Vietnam and the US state will open up new opportunities for enterprises of both sides.

For his part, Vince Porter, Economic Development and Workforce Advisor at the Oregon Governor Office, said that Vietnam is one of the key partners of Oregon and an important production hub of world leading firms based in Oregon such as Intel, Nike, and Columbia Sportswear.

Vietnam and Oregon boast great cooperation potential in agriculture, food and beverage, he held, affirming that Oregon will send a businesses delegation to the Vietnam Food Expo 2023 slated for November in Ho Chi Minh City.

At the event, Vietnamese and US firms in various fields sought their partnership opportunities and exchanged ideas on new business solutions.

3. Top 500 fastest-growing companies in 2023 announced

The others in the top 10 included Vantage Logistics Corporation, Bee Logistics Corporation, Super Cargo Service Company Limited, Deo Ca Traffic Infrastructure Investment JSC, MB AGEAS Life Insurance Company Limited, Thien Phu Si JSC and Mirae Asset Securities (Vietnam).

Speaking at the ceremony, Nguyen Van Ba, Editor-in-Chief of VietNamNet said in 2023, Vietnam is entering a new development phase with many challenges and opportunities. The global economic and political situation has been complicated, posing many challenges for businesses' development.

However, with political stability and the Government's efforts in promoting economic reform, Vietnam is one of the bright spots in the region and the world. GDP in the first quarter of 2023 increased by 3.32% over the same period last year, maintaining an appropriate growth rate in the context of the general difficulties of the world economy when many countries were in recession.

According to the WB's forecast, Vietnam's GDP could reach 6.5% this year. The economy has benefited from free trade agreements and attracting FDI. In addition, the Government has been implementing solutions to support businesses and promote domestic production.

The business community plays a huge role in economic growth and sustainable development. In particular, firms with stable growth rates and pillars in key industries make an important contribution to the country's development by creating jobs, attracting investment, and contributing to the State budget.

“The annual announcement of FAST500 recognises and honours businesses’ achievements in production and business activities. In addition, this is an opportunity for firms to exchange and seek business opportunities,” he added.

These are firms with good business performance, based on the main criteria of double revenue growth and social responsibility.

In addition, this year's Top 10 list are all key players in industries that have many achievements in providing products to customers, showing solid bravery with stable financial capacity, and good resilience in the face of difficult market context.

According to a survey by Vietnam Report, 81.3% of enterprises reported still having revenue growth momentum in 2022 and about 70% recorded increased profits compared to the previous year, of which more than half achieved profit growth of over 75%.

However, the growth rate of revenue and profit in the period of 2021-2022 was lower than that of 2020-2021.

Many representatives in FAST500 believed that the success of businesses is being able to maintain stable operations in a year full of fluctuations and unexpected risks.

Despite many concerns about an uncertain future, FAST500 businesses keep positive expectations. In particular, the outlook for the world economy would improve in the second half of 2023 when concerns about inflation are cleared and central banks reach the end of the tightening policies.

In addition to the Top 10 fastest-growing companies in Vietnam in 2023, the organiser also announced the Top 10 Real Estate Companies and Top 10 Building Material Companies.

FAST500, launched in 2011, is based on the compound annual growth rate (CAGR) in terms of revenue and business performance. Other criteria such as total assets, after-tax profit, and companies’ prestige on the media are also taken into account to identify their scale and stature in the industries they operate in.

4. Vietnam, UAE eye stronger economic, trade and energy cooperation

Dien said that Vietnam highly values the role and position of the UAE as a leading economic, trade, financial, tourism, and logistics center in the world and the Middle East region.

The host and the guest discussed economic, trade, and energy cooperation issues of mutual interest.

Dien expressed his pleasure at the two side’s active coordination in implementing many important cooperation activities in recent years, especially the exchange of views on the Comprehensive Economic Partnership Agreement (CEPA) between Vietnam and the UAE.

He suggested the two sides closely coordinate to successfully organise the 5th meeting of the Vietnam

- UAE Intergovernmental Committee in October 2023, and continue with internal procedures in accordance with regulations towards negotiating and signing the Vietnam - UAE CEPA as soon as possible.

The minister underlined the need for the two sides to soon negotiate to sign a memorandum of understanding on energy cooperation and proposed the UAE create favourable conditions for cooperation between petrol and gas businesses of the two countries.

He called on UAE businesses to study and invest in developing renewable energy, chemical, and supporting industries, material production, and

industrial parks in potential economic zones of Vietnam.

For his part, Almatrooshi spoke highly of Dien's proposals, saying that the UAE government always considers Vietnam an important partner in the Asia-Pacific region and wishes to strengthen multifaceted cooperation with the Southeast Asian nation.

The Vietnamese Ministry of Industry and Trade (MoIT) plays an important role in promoting cooperation activities between the two countries, he said, noting that he will support and closely coordinate with the ministry and relevant agencies to promote the settlement of issues mentioned by the Vietnamese side.

If signed in the coming time, the CEPA will have a huge impact on bilateral economic, trade, and investment cooperation activities, he stressed.

The diplomat expressed his hope that the 5th meeting of the Vietnam - UAE Intergovernmental

Committee will be an important cooperation mechanism to help the two sides promptly review the bilateral cooperation, thereby agreeing on effective measures to expand all-around cooperation.

The UAE side will send a delegation of large UAE groups and enterprises to Vietnam in June this year to seek trade and investment cooperation opportunities, he revealed.

Almatrooshi affirmed that he will work closely with the MoIT to further promote cooperation between Vietnam and the UAE in the coming time.

Statistics showed that the UAE is Vietnam's largest trade partner in the Middle East and African regions. In recent years, two-way trade between the two countries has averagely reached 5 billion USD per year. The UAE is also an important transit point for Vietnamese goods exported to the Middle East and Africa.

5. Vietnam will run carbon trade exchange in 2028

This market will strengthen the activities of connecting and exchanging carbon credits between Vietnam with regional and international markets.

According to the draft, Vietnam will pilot the operation of this carbon credit market in 2025.

The project is built on the basis of the Government's Decree 06/2022/ND-CP. This decree details the reduction of greenhouse gas emissions, the protection of the ozone layer and the development of the carbon market.

Accordingly, from now until the end of 2027, Vietnam will focus on developing regulations on carbon credit management and exchange of greenhouse gas emission quotas and carbon credits.

It will develop regulations on operating the carbon credit market, pilot implementation of the mechanism for exchanging and clearing carbon credits in potential areas in accordance with domestic laws and provisions of international conventions to which Vietnam is a member.

It will also carry out activities to improve capacity for and awareness on carbon market development.

The operation of the carbon trade exchange contributes to reducing greenhouse gas emissions under previous climate commitments, especially the goal of reducing net zero emissions by 2050 under the 26th United Nations Climate Change Conference of the Parties (COP26).

According to the project, the Ministry of Natural Resources and Environment has the role of presiding over and coordinating with relevant ministries to organise the pilot operation and official operation of the carbon credit trading floor and compile regulations for management, monitoring and supervision of this market.

Nguyen Tuan Quang, Deputy Director of the Department of Climate Change, Ministry of Natural Resources and Environment, said the ministry has issued Circular No. 17/2022/TT-BTNMT stipulating techniques for measurement, report and assessment of mitigation for greenhouse gas emissions and greenhouse gas inventory in the waste management sector.

Enterprises in the waste sector must perform the responsibility to provide data and information relating to greenhouse gas inventory, implement a greenhouse gas inventory and develop a periodic inventory report every two years from 2024 onwards.

At the same time, these enterprises must develop and implement measures to reduce greenhouse gas emissions in the period from 2023-2025 in

accordance with their production and business conditions.

Therefore, enterprises need to develop mitigation measures now to meet the requirements of reducing greenhouse gas emissions from 2026, otherwise it may lead to production stagnation. This is also the basis for businesses to participate in the carbon market and increase financial resources for reinvestment.

6. Economic, trade, investment cooperation – a pillar of Vietnam-RoK relations

Jointly held by the provincial People’s Committee, the Ministry of Foreign Affairs and the RoK Embassy in Vietnam, the programme, named “Meet Korea in the northern region”, brought together more than 150 Korean firms and representatives from 13 northern cities and provinces.

The event marked the start of a series of activities within the “Meet Korea” programme 2023 co-organised by the ministry and the embassy.

Vu stressed that the RoK now ranks first in terms of direct investment in Vietnam, second in official development assistance (ODA), labour and tourism, and third in trade cooperation.

Meanwhile, Vietnam is a big partner of the RoK in the Association of Southeast Asian Nations (ASEAN), accounting for half of the total trade revenue between the RoK and ASEAN.

Therefore, Vietnam always supports and makes efforts to remove difficulties for Korean investors in line with legal regulations, helping them run long-term business in the country, the official affirmed.

The RoK Ambassador to Vietnam Oh Young-ju noted that the “Meet Korea in the northern region” programme, in its fourth edition, has become an annual exchange venue for businesses of the two countries.

The event this year has special significance as it is the first held after the two countries upgraded their relationship to a comprehensive strategic partnership in December 2022, helping enterprises and leaders of the two countries explore cooperation opportunities in new areas, she added.

Chairwoman of the provincial People’s Committee Nguyen Huong Giang said the programme offers a good opportunity for businesses and investors to set up cooperation with Bac Ninh and other northern localities.

The programme featured discussions on cooperation in supply and production chains, and sustainable economic development, during which leaders of the participating cities and provinces introduced potential, strengths, and socio-economic development in their localities, major Korean projects there, and their investment attraction orientations.

For their part, Korean enterprises raised proposals on issues of shared concern like supply chain diversification, smart city building, IT application in green development, environmental pollution response, and administrative reform.

Deputy minister Vu said such proposals will help the Vietnamese government and local authorities set forth specific measures and solutions to enhance cooperation between Vietnamese localities and Korean partners, as well as the

comprehensive strategic partnership between the two countries.

7. Strategic investors' engagement helps promote Viet Nam's tourism growth

Thanks to the investment of domestic and foreign investors in tourism infrastructure, especially resort real estates, poor rural areas have been turned into enchanted destinations for tourists, making Viet Nam more attractive to investors.

Boasting 3,260km of coastline with about 400 beaches and thousands of natural landscapes and relic sites across the country, Viet Nam is an ideal place for strategic investors such as SunGroup, Vingroup, FLC and VinaCapital.

Many modern hotel chains meeting international standards have been built, mostly in popular tourist attractions in Ha Noi, Da Nang, Nha Trang, Phuc Quoc, HCM City and Ha Long.

Meanwhile, many reputable international brands such as Accor, Marriott, Hyatte, IHG, Four Seasons, and Archipelago have marked their presence in Viet Nam, contributing to enhancing the governance capacity and tourism service quality of the country.

According to Dr. Phan Huu Thang, former Director of the Foreign Investment Agency under the Ministry of Planning and Investment, foreign direct investment (FDI) in tourism and resort real estate has been helpful for Viet Nam from the first years of opening and integration, with the development of a system of high-end resorts and hotels.

In the last 20 years, investment in tourism accommodation has boomed. According to the Vietnam National Administration of Tourism (VNAT), the number of accommodations in Viet Nam increased from 12,500 facilities in 2010 to 33,330 in 2022, with 667,000 rooms. As of the end of 2022, Viet Nam had 215 five-star hotels with 72,000 rooms, and 334 four-star hotels with 45,000 rooms.

According to statistics from the Vietnam Real Estate Association (VNREA), the country is home to 239 tourism real estate projects with a total value of VND681.8 trillion, or about US\$30 billion.

Su Ngoc Khuong, Senior Director of Savills Viet Nam, said that despite the impacts of the COVID-19 pandemic, tourism real estate in Viet Nam is still an attractive segment for investors, where they can find opportunities to join the Vietnamese market.

In reality, amid the difficult situation in the real estate sector, foreign investors, especially those from the Republic of Korea, Japan, Singapore, and Hong Kong (China), have still shown great attention to resort real estate, especially in the south central coastal region. Many big names such as Mandarin Oriental, JW Marriott, M Gallery, Le Meridien, Wink Hotels and The Ascott Limited are likely to launch their projects in the region.

According to CBRE, Da Nang drew 10 projects as of the end of 2022. Binh Thuan expects more than 5,000 vacation villas by 2025, while Phu Yen will provide more than 72 villas and hotel rooms to the market by 2026. Experts held that in 2024, the accommodation occupation rate will recover to the pre-pandemic level of 63 per cent.

According to Ha Van Sieu, Vice Director of the Viet Nam National Administration of Tourism (VNAT), this year, the tourism sector aims to serve about eight million foreign visitors and 102 million domestic tourists, earning about VND650 trillion (\$27.71 billion).

The sector plans to announce the Viet Nam tourism planning for the 2021-30 period with a vision to 2025 right after it is approved. It has implemented a marketing strategy until 2030, along with a project to strengthen the application of new technologies in developing smart tourism and turning tourism into a spearhead economic sector of the country. A community-based tourism project is also underway, said Sieu.

Corporate News

8. CTR: BoD approves to issue shares the dividend payment

↑ 1.52 %

On May 17, 2023, the Board of Directors of Viettel Construction Joint Stock Corporation approved a plan for issuing shares to the dividend payment:

- 1) Stock name: Stock of Viettel Construction Joint Stock Corporation
- 2) Stock type: common share
- 4) Total issued volume: 114,385,879 shares
- 5) Outstanding volume: 114,385,879 shares

- 6) Treasury volume: 0 share
- 7) Expected issue volume: 24,603,497 shares
- 8) Issue ratio: 10,000:2,151
- 9) Financial resource: Undistributed profit after tax.
- 10) Plan to deal with fractional shares: The distributed shares will be rounded down. The fractional shares (if any) will be canceled.

9. HSG: BoD approves to issue shares the dividend payment

↑ 0.65 %

On May 18, 2023, the Board of Directors of Hoa Sen Group approved a plan for issuing shares to the dividend payment:

- 1) Stock name: Stock of Hoa Sen Group
- 2) Stock type: common share
- 3) Expected issue volume: 17,941,649 shares

- 4) Issue ratio: 3%
- 5) Financial resource: Undistributed profit after tax.
- 6) Record date: expected in June 2023
- 7) Plan to deal with fractional shares: The distributed shares will be rounded down. The fractional shares (if any) will be canceled..

Research Team: Tsugami Shoji *Researcher* jsi@japan-sec.vn

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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

Website: www.japan-sec.vn