



# VIETNAM DAILY NEWS

May 8th, 2023



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## Market Analysis

### 1. Share to retreat amid weak cash inflow

Shares are forecast to correct as selling pressure at the resistance area of 1,040-1,045 points will continue to suppress the market in the next sessions, said analysts.

On the Ho Chi Minh Stock Exchange, the VN-Index inched down 0.03 per cent to close the day at 1,040.31 points.

An average of 575 million shares were traded on the southern bourse during each session last week, worth VND10 trillion (US\$426.5 million).

The market struggled around 1,040 points on Friday. However, when the index attempted to regain the green and back above 1,040 points, selling force continued to put pressure on the general market's recovery, said Xuan Vu, an analyst at Viet Dragon Securities Co.

“With this development, it is expected that selling force at the resistance area of 1,040-1,045 points will likely continue to suppress and cause VN-Index to gradually retreat to the support area around 1,030 points in the next few sessions. Therefore, investors still need to be cautious, keep the portfolio weight at a reasonable level and avoid overbought this week,” Vu said.

The market continued to struggle around 1,040 points of the VN-Index. Supply continued to exert pressure when the market recovered, while the cash inflow was still quite cautious. It was expected that selling pressure at the resistance area of 1,040-1,045 points would continue to suppress the market in the next sessions. Therefore, investors needed to be cautious, keep the portfolio proportion at a reasonable level and avoid overbought status, the analyst said.

In the context that the market had entered a “quiet” period in terms of supporting information from within the country, coupled with the downward pressure coming from the US market,

investors might be cautious and market liquidity might continue to remain low, challenging the market's efforts to gain in May, said Bach Tran, analyst at Bao Viet Securities Co.

Trading activities might be considered if VN-Index corrects to the support zone of 1,035-1,038 points, he said.

According to VNDIRECT Securities Co, Viet Nam's stock market started the first trading week after the holiday of April 30 - May 1 in a cautious state, in the context of the US Federal Reserve (Fed) raising interest rates by 25 basis points at the meeting in early May. The US is facing the risk of a public debt crisis and the US banking system is unstable.

Domestically, the less positive first-quarter business results reporting season for the first quarter of 2023 was forecast, but this still exerted certain pressure on the market. According to statistics, the profit of the whole market decreased by about 17.5 per cent over the same period last year.

The decline in profits pulled the market's valuation slightly, the price-to-earnings (P/E) ratio of the VN-Index is currently at 12.3 times, which is a reasonable level. The current 12-month term deposit interest rate is about 7.5 per cent.

In the context that the international market is still volatile and the market valuation is not really attractive, it is likely that the VN-Index will continue its sideways trend or adjust slightly in the first half of May.

Saigon - Hanoi Securities Joint Stock Company (SHS) also said that in the short term, VN-Index was to be in a sideways state in a stable range, not forming a specific trend yet.

The market had lost its bullish channel and was in an accumulation state. With the current

developments, although the risk in this period was not high, there were not many opportunities for short-term profit, it said.

The market last week continued to witness strong divergence among stocks in the same industry. While shares of banks such as Asia Commercial Bank (ACB) increased by 1.9 per cent and HDBank (HDB) rose by 1.3 per cent, some other banks adjusted such as Vietcombank (VCB) down 0.8 per cent, Vpbank (VPB) down 2.3 per cent and Techcombank (TCB) down 2.7 per cent.

The real estate industry also diverged. Large-cap stocks falling included Vinhomes (VHM) down 1

per cent, Vingroup (VIC) losing 2.7 per cent, Novaland (NVL) dropping 5.3 per cent. Mid-cap stocks had impressive gains such as Bamboo Capital Group Joint Stock Company (BCG) up 4.7 per cent and DIG Group (DIG) up 1.9 per cent.

On the Ha Noi Stock Exchange (HNX), the HNX-Index lost 0.17 per cent, to close Friday at 207.80 points.

An average of 75 million shares were traded on the northern exchange, worth nearly VND1 trillion.

## Macro & Policies

### 2. Hanoi's CPI decreases 0.81% in April

The consumer price index (CPI) of Hanoi in April decreased 0.81% compared to that in March and increased 0.49% year on year, the municipal Statistics Office reported.

In April, an upturn was seen in the price of eight out of the 11 goods groups led by culture, entertainment and tourism at 6.72% and food and catering services at 4.47%, followed by beverage and cigarette (3.56%); apparel, headwear and footwear (1.88%), and household appliances (1.55%), among others.

Meanwhile, three groups experiencing a price decrease included education (3.62%), transportation (0.74%), and postal and telecommunications services (0.3%).

Also in April, gold prices rose 2.71% compared to a month earlier and 0.05% year-on-year. The average of gold prices in the four-month period gained 0.29% over the same period last year.

Meanwhile, USD price index in April declined 0.89% from March, and up 2.75% compared to the same

period last year. The average of USD price index in the four-month period hiked 3.47% year-on-year.

Tourism has been considered as the city's economic spearhead, significantly contributing to purchasing power and CPI. The sector is striving to boost domestic tourism promotion programmes, especially before big holidays.

Hanoi has also diversified promotional methods on digital platforms with the message "Hanoi- Come to love" and "Hanoi- safe, friendly, quality, and attractive tourism destination" in order to lure more visitors to the city.

In April, the locality welcomed about 425,000 visitors, up 4.9% over March and three times higher than the number a year ago. The four-month figure reached 1.468 million, 3.1 times higher than 2022.

In the reviewed month, the number of international arrivals was estimated at 310,000, an increase of 5.8% over March and 6.9% year-on-year.

### 3. Navigating monetary policy amid stronger economic headwinds

First Republic's assets reached US\$229.1 billion at the time of the takeover. It was the 14th-largest U.S. bank by the end of last year and has been the second-largest American bank to fail after the collapse of Washington Mutual in 2008.

The crash is the latest development of this year's banking crisis, which has led to the collapse of Silicon Valley Bank, New York-based Signature Bank and Switzerland's second-largest bank Credit Suisse.

For now, central banks appear to be at a crossroads as the panic is unlikely to end soon. Interest rate hikes designed to combat inflation have become a tough choice to make, given mounting concerns over a global recession.

With its growing economic openness, Vietnam is highly prone to global market fluctuations.

From sluggish post-pandemic recovery to monetary policy tightening, the economy of Vietnam has been grappling with growing challenges this year. The nation's January-April export revenue dipped by 11.8% year-on-year at US\$108.6 billion, according to the General Statistics Office.

Opportunities have emerged, though.

VND131,200 billion in public investment capital has been disbursed, increasing by 17.9% over 2022 and reaching 19% of the full-year target.

Fresh foreign direct investment approvals nationwide as of April 20 had soared by 11.1% year-

on-year, and total retail sales of goods and services expanded by 12.8%.

Since March, Vietnam's easing of monetary policy has left certain positive impact on the economy, according to experts.

The State Bank of Vietnam (SBV) has lowered key interest rates twice this year, and adopted new policies that help eliminate business obstacles like rescheduling debt payments and easing the trading of corporate bonds by credit institutions and foreign bank branches.

In light of the current situation, the Saigon Times Group and the SBV are joining hands to organize the Vietnam Banking Forum 2023 under the theme "Monetary policy in turbulent times".

At the Vietnam Banking Forum, Dr. Can Van Luc, chief economist at the Bank for Investment and Development of Vietnam and member of the National Financial and Monetary Policy Advisory Council will discuss Vietnam's macroeconomic prospects in the second half of the year.

Ha Thi Kim Nga, senior economist and representative of the International Monetary Fund in Vietnam, will give insights into challenges for monetary policy in Vietnam and recommendations amid global economic uncertainties.

The forum will also feature two roundtable discussions that will look into concerns over market pressure, global macroeconomic driving factors and conundrums of the domestic economy. The efforts aim at shedding light on monetary policy and seeking ways to enhance the efficiency of market instruments in turbulent times.

There will be leading experts and professionals showing up at the forum, including Dr. Pham Sy Thanh, director of the China Center for Economic and Strategic Studies; Truong Van Cam, vice chairman and general secretary of the Vietnam Textile and Apparel Association; Dr. Nguyen Quoc Hung, general secretary of the Vietnam Banks Association; and Bui Thanh Trung, deputy general director in charge of currency trading and investment at Orient Commercial Bank.

The fourth Vietnam Banking Forum, set to take place on May 10 at the International Convention Center in Hanoi, will be attended by over 120 experts in the banking sector, senior officials at the SBV and senior executives of domestic and foreign financial institutions.

The event is expected to discuss solutions to bolster the effectiveness of the monetary policy, tame inflation, stabilize the macroeconomy and reduce interest rates for Vietnam's economic recovery.

#### 4. Export of rice posts highest growth among key agricultural products

The April figures have brought the total volume and value of rice exports in the first four months of the year to 2.95 million tonnes with 1.56 billion USD, up 43.6% in volume and 54.5% in value over the same period in 2022. This is the highest growth rate among key agricultural product groups.

Some other agricultural products also posted higher export value than the same period last year such as vegetables and fruits (up 19.4%), cashew nuts (3.4%) and coffee (2.5%).

Meanwhile, exports of other products experienced a downward trend including rubber (down 20%); tea (5.8%); pepper (10%) and cassava and cassava products (12%).

The average export price of rice in the first 4 months of 2023 was estimated at 526 USD per tonne, up 7.6% over the same period in 2022. In the first three months of the year, the Philippines was Vietnam's largest rice consuming market with 45.9% market share, buying 893,300 tonnes valued at 450.4 million USD, up 32.9% in volume and 44.8% in value year on year.

In the group of 15 largest rice export markets, Indonesia recorded the strongest increase in value (up 177.4 times), while Ivory Coast showed the largest decrease of 70.9%.



Vietnam's 5% broken rice price was 495-500 USD per tonne, the highest level since April 2021 and up 50 USD per tonne from a month ago.

Traders said that demand for Vietnamese rice is still strong, while domestic supply is insufficient. However, importers including the Philippines are likely to slow down in buying.

## 5. Hung Yen creates momentum to improve investment environment

The northern province of Hung Yen has taken drastic actions to improve its business and investment environment, and its efforts have paid off.

In the 2022 Provincial Competitiveness Index (PCI) rankings recently released by the Vietnam Chamber of Commerce and Industry (VCCI), the locality jumped 25 places, standing 14th among the 63 provinces and centrally-run cities nationwide, and fifth among the 11 in the Red River Delta – the highest-ever rank claimed by Hung Yen.

Many of its sub-indexes improved considerably, including access to land (0.7 point and 36 places), informal charges (1.1 points and 40 places), proactivity (0.2 point and 17 places), and law and order (1.1 points and 33 places).

This is the recognition of the business community for efforts made by the province's whole political system to improve the business environment as well as the quality of economic management.

Tran Quoc Van, Chairman of the provincial People's Committee, affirmed that the position is the fruit of efforts made by the whole political system to stand shoulder-to-shoulder with enterprises and help them address difficulties, and create the most favourable business and investment environment for them, together with great contributions of the business community in the context of the difficult domestic and international economic situations.

In recent years, the province has also directed departments and localities to drastically reform administrative procedures, create an open investment environment, and reduce costs in order to increase investment attraction. It has stepped up investment promotion through diplomatic missions and foreign enterprises from countries and territories that have been making stable investments in the province; while preparing synchronous infrastructure in terms of transport,

electricity, water, communications and ground, especially at industrial parks, to be ready to meet foreign investors' needs.

The province has to date attracted 2,145 valid investment projects, including 1,632 domestic and 513 foreign-invested ones, worth almost 310.9 trillion VND (13.2 billion USD) and more than 6.2 billion USD, respectively. Meanwhile, Hung Yen attracted 169.77 million USD in foreign investment in the first quarter of this year, making it one of the top 10 foreign investment destinations in Vietnam during the period. These projects have made an important contribution to the province's economic growth, creating jobs, and ensuring a stable income for workers.

Local industrial infrastructure is developing rapidly with eight out of the 17 planned industrial parks already operational and ready to welcome projects. Nine others are under construction at present.

In the first quarter of 2023, Hung Yen continued to be one of the localities with high growth rates in the whole country and the Red River Delta. Its gross regional domestic product (GRDP) is estimated to increase by 8.14% over the same period last year, ranking 12th among 63 provinces and cities in the country and fifth among 11 localities in the Red River Delta region.

In 2022, Hung Yen posted a growth rate of 12.8% in gross regional domestic product (GRDP), ranking first in the Red River Delta and fifth nationwide. The growth of each sector all surpassed the set target, with the index of industrial production up 10.4%, the trade and service value 19.45%, and the state budget revenue rising 2.63-fold from the target to reach the highest-ever level and place the province among the top 10 nationwide in this regard.

Last year, per capita GDP increased over 16% from 2021 to 102.3 million VND (nearly 4,400 USD) while labour productivity stood at 196 million VND each worker, higher than the national average.

## 6. Viet Nam's e-commerce market to reach \$20 billion by year end

Viet Nam's e-commerce market is forecast to increase by 25 per cent to US\$20 billion by year end, according to a report on the Viet Nam E-Business Index (EBI) 2023 conducted by the Viet Nam E-commerce Association (Vecom).

The EBI 2023 averages 19.24 points, compared to 20.37 points last year. This indicates a big gap between Ha Noi and HCM City, the two biggest economic hubs of Viet Nam, and the remaining localities, according to the report.

HCM City with 89.2 points, continues to top the rankings this year. With 85.7 points, the capital city of Ha Noi ranks second, followed by the central city of Da Nang with 39.5 points.

Meanwhile, the Central Highlands provinces of Dak Nong and Kon Tum are the worst performers with 10.6 and 10.2 points, respectively.

The report is based on three sub-indexes – information technology human resources and infrastructure, business-to-consumer e-commerce, and business-to-business e-commerce.

The booming e-commerce sector in 2023 and development in the following years is aided by a series of growth drivers such as the wave of digital transformation, consumers' trust, technological infrastructure, and favourable mechanisms and policies issued by the Government.

According to this VECOM report, the difficulties of the world economy along with many unfavourable domestic factors impacted negatively the development of the economy and trade last year, especially in the last months of 2022. Those disadvantages are forecast to remain until 2023.

However, continuing the previous two waves of growth, this association report says that Viet Nam's e-commerce still gains a high growth rate.

According to experts, the potential for e-commerce development is still huge.

With thousands of businesses nationwide, the e-commerce industry is expected to continue this high growth rate at about 25 per cent until 2025.

Viet Nam's e-commerce market is developing at an early stage. Meanwhile, its scale of e-commerce is still small, accounting for about 8.5 per cent of the total retail sales of consumer goods and services.

Exciting business activities on e-commerce platforms and social networks were the highlights of Viet Nam's e-commerce sector in 2022 and the first quarter of 2023.

The report said that up to 65 per cent of businesses have implemented business activities on social networks. The number of employees at enterprises who regularly use tools such as Zalo, WhatsApp, Viber, and Facebook Messenger has continuously increased over the years.

Selling on social networks is also considered to be the most effective, surpassing other forms such as business websites or applications as well as e-commerce platforms.

The most prominent is the birth and strong growth of Tiktok Shop. Doing business on this platform has great appeal to a large number of traders in Viet Nam.

Business activities on e-commerce platforms continued to grow steadily. In 2022, 23 per cent of businesses sold products on e-commerce platforms, according to the survey.

Metric Data Science Joint Stock Company said the total sales of the top four e-commerce platforms - Shopee, Lazada, Tiki, and Sendo - along with Tiktok Shop were estimated to reach VND141 trillion (about \$6 billion).

Shopee and Lazada are the two largest e-commerce platforms, while Tiktok Shop has become the third largest retail e-commerce platform in Viet Nam although only operating since mid-2022.

VECOM's report also shows that the percentage of businesses having websites and mobile applications has not changed much. A high number of businesses suspending or dissolving in 2022 and the first quarter of 2023 could be one of the reasons for this situation.

Although the development of websites and mobile applications aims at the promotion of brands, start-ups and business households could prioritise doing business on e-commerce platforms or social networks.

The rate of websites that integrate online interaction features with customers reached 78 per cent. Half of websites that had online interactions with customers used chatbots.

Especially, the number of websites having mobile versions increased to 22 per cent in 2022.

The quality of websites increased, but businesses still believed that selling on social networks and e-commerce platforms was more efficient.

This reflects that besides the function of introducing businesses, products and brands, the development of a website with fully integrated functions such as sales, payment and delivery is not simple.

In 2019, VECOM proposed a sustainable e-commerce development programme. In the past, it actively implemented a number of specific activities under this proposal.

In 2023-2025, VECOM will support State management agencies to research and propose policies and laws towards to sustainable development of the digital economy as well as e-commerce. At the same time, they will propagate and encourage the online business community to implement specific activities.

## 7. Leading securities firms all post poor performance in Q1

The less-optimistic movements of the stock market have negatively impacted the business results of securities firms in the first quarter of the year.

Financial statement reports showed that the securities group, including leading companies, witnessed a sharp decline in profits.

Specifically, VNDirect Securities Corporation reported a plunge of 81.6 per cent year-on-year in profit after tax, from nearly VND762.2 billion in the first quarter of 2022 to VND140.5 billion in Q1 of 2023.

The securities firm explained the strong fall was due to the negative impact of the general market which caused a 27 per cent decrease in its revenue to VND1.29 trillion.

Of which, revenue from margin lending and brokerage activities of VNDirect dipped by 46.2 per cent and 68.4 per cent on-year, respectively. Meanwhile, revenue from proprietary trading was the only business activity posting an increase of 17.8 per cent to VND782 billion.

On the other hand, the company's expenses rose by 4.2 per cent over the same period last year to VND629 billion, while loss of proprietary trading increased by VND220.5 billion, or 87.8 per cent, and financial expenses also tripled.

Similarly, Saigon - Hanoi Securities JSC (SHS) and Viet Capital Securities JSC reported strong losses in business results. In the first quarter, SHS's profit after tax plummeted by 87.6 per cent over last year to VND40.9 billion, while Viet Capital recorded a profit after tax of only VND73 billion, down 82.4 per cent year-on-year.



SSI Securities Corporation also couldn't escape the downtrend. It reported a decrease of nearly 30 per cent in profit after tax compared to the same period in 2022, to VND480.8 billion from VND684 billion.

Its revenue dropped 26.4 per cent on-year to VND1.43 trillion, of which the company's proprietary trading revenue rose slightly to VND679.1 billion, but interest from loans and receivables halved to VND338.3 billion. Revenue from brokerage activities also fell by 57.1 per cent to VND257.1 billion.

The first quarter profit after tax of Techcombank Securities JSC (TCBS) and Ho Chi Minh City Securities Corporation (HSC) declined by 64.5 per cent and 56.2 per cent over last year, respectively, to VND333.5 billion and VND123.8 billion dong. Meanwhile, Mirae Asset Securities reported a fall of 54.9 per cent year-on-year in profit after tax to VND128.3 billion due to a 53 per cent drop in profit before tax and a 25.1 per cent decrease in revenue.

Most of the securities companies said that the reason for the decline in profits was due to the volatility and uncertainties of the stock market in the first three months of 2023.

Given the high sensitivity to the market, securities companies' proprietary trading, brokerage, and margin lending activities suffered strongly as the market was gloomy and investors turned extremely cautious.

Particularly, interest rates are a major factor affecting the market mood. High interest rates caused investors to be worried about the prospect of corporate profits, while the severe decline in global purchasing power affected import and export activities.

Higher interest rates are also a significant barrier to investors' demand for margin loans.

The statistics have not shown many signs of improvement. Outstanding balance slightly increased in the first quarter of this year after plummeting in the fourth quarter of last year to the lowest level in seven quarters.

## Corporate News

### 8. PLX: Result of share public offering of PG Bank

↑ 0.93 %

On April 28, 2023, Viet Nam National Petroleum Group reports the result of share public offering of PG Bank as follows:

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File Attachment

[20230505\\_PLX-230505-Result-of-share-public-offering-of-PG-Bank-PV.pdf](#)

### 9. BMP: Plan for the remaining cash dividend payment in 2022

↓ -1.09 %

Plan for the remaining cash dividend payment in 2022 of Binh Minh Plastics Joint Stock Company as follows:

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File Attachment

[20230505\\_BMP-230505-Plan-for-the-remaining-cash-dividend-payment-in-2022.pdf](#)

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