



VIETNAM DAILY NEWS



June 22nd, 2023

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Market Analysis

1. Shares gain on bank and oil stocks

Vietnamese shares extended gains yesterday, led by large-cap stocks in the banking and oil stock groups.

The benchmark VN Index on the HCM Stock Exchange rose 0.61 per cent to close at 1,118.46 points.

Investors traded more than 875.9 million shares worth VND17.5 trillion (US\$744.4 million) on the southern bourse.

Market breadth was positive, with 323 gainers and 108 losers.

The VN30-Index, which tracks the performance of the 30 largest stocks by market capitalization and liquidity on HOSE, gained 0.71 per cent to reach 1,112.07 points. In the basket, 21 stocks climbed, three stayed flat and seven slid.

Banking stocks gained ground with most of the stocks in the basket rising, including Asia Commercial Bank (ACB), Tiên Phong Bank (TPB), National Commercial Joint Stock Bank (NVB), Vietcombank (VCB), and Military Bank (MBB).

Energy stocks also attracted cash flow with gainers such as Việt Nam National Petroleum Group (PLX), Binh Son Refining and Petrochemical Company Limited (BSR), PV Power (POW), Petro Vietnam Technical Services Corporation (PVS), Petro Vietnam Drilling and Well Services Corporation (PVD) and Drilling Mud Joint Stock Corporation (PVC).

On a sector basis, 23 out of 25 sector indices on the stock market gained ground, including oil and gas, banking, wholesale, construction, rubber production, IT and logistics, agriculture, real estate, food and beverage, retail, sea- food production, construction materials, securities, and plastic and chemical production. Foreign investors continued to be net sellers on HOSE, with the value increasing to VND409.4 billion. They sold strongly at Vinamilk (VNM) with VND81.5 billion, SSI and Securities Inc (SSI) with VNĐ62.5 billion, C). Vietcombank (VCB) with VND53.2 billion, and Sacombank (STB) with VND49.8 billion.

"With the temporary cooling of profit-taking supply, the market was supported and had a quick recovery at the end of the trading session. The return of some large industry groups helped the green color spread on a large scale and ceased the deep decline of many stocks," said Việt Dragon Securities Co.

"It is expected that the market will continue to be supported and gain in the next session to retest the supply around 1,125-1,130 points of VN-Index. Therefore, investors can hold and exploit short-term opportunities in stocks with good accumulation base. However, it is advisable to take advantage of the recovery span to take profits at stocks that are under great supply pressure and have negative movements in the last few sessions," it said.

The HNX Index on the Hà Nội Stock Exchange rose 1.31 per cent to end at 231.77 points.

Macro & Policies

2. Credit growth still low in first half of 2023: SBV

The State Bank of Vietnam (SBV) said that the report, released on June 17, continued to base on three criteria to make assessments, namely trade surplus with the US, current account surplus, and persistent and one-sided intervention in the foreign currency market.

In the report, the US Department of the Treasury placed seven economies on the monitoring list of major trading partners that merit close attention to their currency practices and macro-economic policies, comprising China, the Republic of Korea, Germany, Malaysia, Singapore, Switzerland, and Taiwan (China).

It also found that no major trading partner manipulated currency during the period from January to December 2022. During the period, Vietnam exceeded only one of the three criteria, on trade surplus, so it was excluded from the monitoring list.

The SBV said that at bilateral meetings with the central bank of Vietnam, the US Department of the Treasury continued highly valuing the SBV's governance of the monetary and foreign exchange policies, which have managed to sustain stability of

the financial market, the monetary market, and the macro-economy amid numerous difficulties and challenges.

The SBV has repeatedly affirmed the consistent target of Vietnam's monetary and foreign exchange policies is to help control inflation, stabilise the macro-economy, and ensure safety for credit institutions. It has been making efforts to gradually modernise and promote the transparency of the monetary and foreign exchange policy frameworks.

The bank has governed foreign exchange rates in a proactive and flexible manner that matches the development level of its foreign exchange market and economic factors. It has not used the foreign exchange policy to create an unfair competitive edge while ensuring the foreign exchange market's stable and smooth operations to help with macro-economic stability.

It added that it will continue governing the monetary and foreign exchange policies in the abovementioned manner and actively coordinating with ministries and sectors to work on the issues of the US side's concern in the cooperative and goodwill spirit.

3. Vietnam remains out of currency manipulation watch list of US

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4. Vietnam fosters cross-border e-commerce in ASEAN

Organised by the Vietnam E-commerce and Digital Economy Agency under the Ministry of Industry and Trade (MoIT), the event formed part of the ASEAN Online Sale 2023, aiming to bolster e-commerce in the region while accelerating the implementation of ASEAN Free Trade Agreements.

Le Hoang Anh, Director of the Vietnam E-commerce and Digital Economy Agency, revealed that in the 2022 reports of Google, Temasek and Brain & Company focusing on six countries namely Indonesia, Malaysia, Singapore, the Philippines, Thailand and Vietnam, 20 million people used online platforms for the first time in 2022, raising the total number of internet users in the region to 460 million.

According to Statista's report, ASEAN is forecast to achieve a dual annual growth rate of 11.43% in the next five years, equivalent to developed countries in the world such as the US, China and Canada.

Revenue from e-commerce is expected to reach 113.9 billion USD by the end of 2023 and the figure is projected to hit 175 billion USD by 2027.

Oanh said that the emergence of e-commerce platforms has also played a vital part in the overall development of e-commerce in the ASEAN region.

Shopee, a mobile-centric marketplace where users can browse, shop and sell products, is evaluated as the most outstanding platform, accounting for 44% of the region's total revenue. With this growth, the digital economy in ASEAN is on track to grow to 1 billion USD by 2030.

Squall Wang, Managing Director of UPS in Vietnam, said that to enter to the e-commerce market, enterprises need to reinvent or cement their supply chains, digitalise processes more effectively and have a better understanding about customs regulations when they bring their products to the world.

Small- and medium-sized enterprises should not worry about investing in sophisticated technologies as they can take advantages of free services provided by supporting units.

In Vietnam, cross-border e-commerce has been assessed to have great potential and it is in line with policies on the development of the digital economy set forth by the government, and at the same time, this will be an effective supplementary channel for traditional international trade to bring into play advantages of technology, helping Vietnamese products reach more to customers worldwide.

5. Vietnam Report announces Top 10 prestigious banks

The ten banks honoured as the most prestigious commercial banks in the country in 2023 are Vietcombank, VietinBank, Techcombank, BIDV,

MilitaryBank, VPBank, ACB, AgriBank, TPBank, and VIB.



Top 10 prestigious banks in 2023 (Photo: Courtesy of Vietnam Report)

Meanwhile, the list of the ten most prestigious private joint-stock banks comprises Techcombank, VPBank, ACB, TPBank, VIB, HDBank, Sacombank, SHB, MSB, and SeABank.

Vietnam Report General Director Vu Dang Vinh said that as of the end of May, total credit increased by 3.17% from the end of 2022, significantly lower than the 8% recorded in the same period last year. The before-tax profit of the bank systems in the first quarter was lower than expectations.

6. Digital workforce platform launched

The online platform nhanlucso.org.vn is built by leading experts in the IT industry with the aim of providing an information system on IT career paths and equipping future human resources with essential skills for the new era of the industry.

Digital Workforce, sponsored by USAID and MPI, is one of series of activities to support Vietnam with its national strategy for the 4th Industrial Revolution by 2030.

Through the platform, people can have overviews of hundreds of professional positions in the IT industry, a distinct promotion path for each job

Vietnam Report's survey results in 2023 show that there is no expectation of breakthrough growth in the last six months of this year compared to the same period last year. Instead, most banks believe that in the second half of 2023, the entire industry will be in a stable state, maintaining a growth rate of 44.2% compared to 42% recorded in the survey last year.

Vinh added that at the 2023 Annual General Meeting of Shareholders, many banks set business plans for 2023 cautiously.

Notably, all banks adjusted their profit plans this year. This shows that 2023 is seen by the banking industry as a challenging year when they have to continue to share resources and difficulties with businesses amid the slowing global economic growth, while problems such as interest rates, bad debts, frozen real estate and bond markets that have not been fully reflected in last year's business results will have a significant impact on the banks' operations this year.

Based on its survey results, Vietnam Report points out challenges of the banking industry in 2023 including increasing bad debt, inflation risk, low global economic growth, and recession of the stock, real estate, and bond markets. In addition, the emergence of Fintech companies with fierce competition with banks is also a major challenge that banks have to face in the coming time.

position with corresponding income levels; required skills and certifications related to each position, as well as recommended prestigious training institutions in the industry; latest news related to job opportunities and professional knowledge, providing diverse perspectives to help young people in building their own career development process.

Speaking at the event, NIC Director Vu Quoc Huy said that in the past time, NIC coordinated with three reputable human resources companies in Vietnam - Navigos/Vietnamworks, TopCV, and JobHopin - and collaborated with USAID WISE to

jointly build the digital human resource platform - one of the first platforms to provide detailed information about personnel in the field of information and communication technology.

He said the platform will bring the most general knowledge about the job market, thereby orienting and creating a career development trend for young people in the future. Employers can also adjust and use labour resources effectively and appropriately in response to fluctuations in the labour market.

Phan Vinh Quang, Head of the USAID WISE research team, said that in the national digital

transformation roadmap, the Prime Minister approved the project "Raising awareness, popularising skills and developing human resources for national digital transformation by 2025, with a vision to 2030", which affirms the Government's attention to digital human resources in the coming period.

At the workshop, experts and speakers from recruitment agencies and technology companies discussed issues of concerns including how new technologies will change the job and labour markets and young workforce's preparation to adapt to these needs and changes.

7. Footwear industry must implement green development to gain growth targets: Experts

This development strategy sets the goal of turning Vietnam into a country that produces export textiles, garments and footwear, meeting requirements for sustainable development.

Vietnam also targets to reach a total export turnover of footwear and handbags of 38-40 billion USD by 2030. The industry by 2035 will have sustainable development according to the green economy model, complete the domestic production value chain, and effectively participate in the global value chain. It will develop a number of regional and world brands.

Diep Thanh Kiet, Vice Chairman of the Vietnam Leather, Footwear and Handbag Association (LEFASO), said that to achieve the goals of the strategy, Vietnamese leather and footwear enterprises must focus on the standards of sustainable development.

When the EU's carbon border adjustment mechanism (CBAM) comes into effect, Vietnamese enterprises cannot export to Europe if their products do not satisfy CBAM's criteria, even if these products meet the requirements under the EU-Vietnam Free Trade Agreement (EVFTA).

At the same time, enterprises must develop their ability to design products and reduce production costs to the lowest level.

Meanwhile, the Government needs to issue policies on encouraging localisation of raw materials, and implementing the standards on sustainable development.

According to Nguyen Ngoc Hoa, Chairman of the HCM City Union of Business Associations (HUBA), the development of a green economy is mandatory not only for businesses but also for the whole economy.

Sustainable development is not a burden, but an investment in opportunities for business in the future. Some businesses have received many orders after complying with the green production process.

Senior economist Nguyen Minh Phong said the domestic carbon credit market would pilot operation from 2025 and operate officially in 2028 under international commitments. This market promises to create an impetus for Vietnamese businesses to move towards low-emission production. Enterprises with great emission reduction potential at low cost could immediately invest in converting to emission reduction technologies.

According to the observation of Maxime Rogeon, head of the Footwear Team, at Decathlon Vietnam, Vietnam has many advantages, such as large export markets thanks to FTAs and domestic material supply at 50% of demand. Besides that, almost all of the world's major footwear manufacturers have developed production facilities in Vietnam. However, this country needs solutions for green logistics, sourcing and faster shipping.

Vietnam's leather and footwear industry also needs policies to encourage the application of artificial intelligence technology in production.

Additionally, Vietnam needs to restructure the footwear industry and apply sustainable production and business models that save production costs.

Le Hung Cuong, Digital Director of FPT Digital, a subsidiary of FPT Corporation, recommended that footwear businesses needed to participate in shared ecosystems, thereby taking advantage of big data.

The digital transformation process needs to ensure safety for company data but also customer data, according to Cuong.

Businesses also need to pay attention to optimising customer experience and interactions for all stages of the business process.

At present, about 65% of Vietnam's footwear production capacity is concentrated in the Southeast region. The percentage is 16% in the Red River Delta; 15% in the Mekong Delta; 3% in the North Central and Central Coast regions; and 1% in the Northern mountainous region.

Of which, the Southeast region and the Mekong River Delta have a tendency to reduce production capacity. The North Central Coast, Central Coast and Mekong River Delta are on an increasing trend.

Therefore, businesses and investors should pay attention to these trends if they want to expand production, otherwise, it will not be easy to find workers, according to experts.

Kiet said LEFASO had developed an export scenario for 2023. In the optimistic scenario, production will recover from the third quarter, and the footwear industry's export turnover is expected to reach 25.8 billion USD this year, down 7.5% compared to last year.

In another scenario, production will be restored in the fourth quarter of 2023. This year's export turnover is expected to reach 25 billion USD, down 10.5% compared to 2022.

In a negative scenario, by the fourth quarter of this year, production has not yet recovered, so the export turnover is predicted to reach 24.4 billion USD, down 14.5% compared to 2022.

Corporate News

8. CMX: Approval for the dossier of registration of bond public offering

↑ 3.26 %

The Board resolution dated June 19, 2023, the BOD of Camimex Group Joint Stock Company

approved the dossier of registration of public offering of CMXH2326001 bond.

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