



# VIETNAM DAILY NEWS

January 11th, 2021



JAPAN SECURITIES INC.

Table of content

## Table of content

1. Shares to move upwards on analyst forecast
2. Livestock industry targets production growth of 6 per cent
3. Central bank targets credit growth of 12 percent in 2021
4. Expanding digital-only lenders open up framework questions
5. Vietnam Was Likely the Third-Largest Solar Market in 2020
6. Spending on essential consumer goods in HCMC up 5-10%
7. Online promotion a trade gateway for SMEs
8. HDG: HDG receives a certificate to issue new bonds
9. NVL: NVL receives a certificate to issue new shares

## Market Analysis

### 1. Shares to move upwards on analyst forecast

High liquidity and outperforming sectors last week made analysts optimistic about the market trend this week, saying that the uptrend will continue.

The benchmark VN-Index on the Ho Chi Minh Stock Exchange gained 0.97 per cent to end Friday's session at 1,167.69 points.

The index had gained 5.8 per cent last week.

An average of 778 million shares were traded on the southern stock exchange, worth VND17 trillion (US\$736 million).

According to MB Securities Joint Stock Company (MBS), the strong cash flow is still entering the market. Many investors are paying more attention to the market, the macroeconomic prospect is still the driving force for disbursement among domestic and foreign investors.

"Technically, the VN-Index has convincingly surpassed 1,100 points. Thus, it's clear that the market is in a long-term uptrend. In the short term, VN-Index is approaching 1,200 points," MBS said.

"Despite suffering profit-taking pressure in the last session of last week, the VN-Index quickly rebounded and stood stable," said experts from Rong Viet Securities Joint Stock Company (VDSC).

"The market is still in an uptrend despite experiencing fluctuations," the company said.

The market is heading toward a strong resistance zone 1,180-1,200 points, according to Bao Viet Securities Co.

"Volatility and correction pressure will rise at this zone, especially when various stock sectors have become overbought," it said.

"Large-cap stocks will continue to increase and support the index. Cash flow still shows interest in small- and medium-cap stocks for profit-seeking.

"Sectors such as real estate, securities, banking, steel are expected to achieve positive Q4 business results. Stock sectors will gradually experience a wide divergence based on Q4 and 2020 business results of listed firms.

"The stock exposure should be maintained at 40 per cent-50 per cent of the total investment, prioritising medium- and long-term positions.

"Investors with high stock exposure should consider lowering stocks proportion of short-term positions when the market approaches the resistance zone we mentioned," it said.

According to Saigon-Hanoi Securities Joint Stock Company (SHS), unstable trading may occur more often when investors decide to take profits as the VN-Index is gradually approaching 1,211 points - the peak of April 2018.

Last week, liquidity on both exchanges, HoSE and HNX, continued to increase and set a new record with a value of more than VND19.2 trillion per session on the two exchanges.

For the whole week, trading value on HOSE increased 59.9 per cent to VND85.2 trillion, corresponding to a rise of 49 per cent in trading volume.

Trading value on the HNX increased 51.1 per cent to VND10.9 trillion, corresponding to a 31.1 per cent increase in trading volume.

Banking stocks rose the most last week, with Bank for Investment and Development of Vietnam (BID) increasing by 1.3 per cent, Vietcombank (VCB) rising 7 per cent, Asia Commercial Bank (ACB) climbing by 7.5 per cent. VPBank (VPB) growing by 9.4 per cent, Vietinbank (CTG) increasing by 12 per cent, Saigon-Hanoi bank (SHB) gaining by 12.4 per cent, Techcombank (TCB) rising by 13.3 per cent, Military Bank (MBB) gaining by 15.7 per cent.

The banking group was followed by the information technology group with notable representatives of CMC Corporation (CMG), rising by 0.3 per cent, and FPT Corporation (FPT), up by 7.1 per cent.

Stocks in the real estate and securities industries also were driving forces of the general market, such as Vingroup (VIC), increasing 3.3 per cent, Vinhomes (VHM), gaining 7.7 per cent, Novaland (NVL), rising 14.7 per cent, SSI Securities Inc (SSI), increasing by 3.2 per cent, Ho Chi Minh City

Securities Corporation (HCM) and Viet Capital Inc (VCI) both rising by 3.8 per cent, Saigon-Hanoi Securities Co (SHS) up by 6.8 per cent.

Oil and gas stocks maintained their optimism last week with PetroVietnam Gas JSC (GAS) advancing 7.05 per cent, PetroVietnam Technical Services Corporation (PVS) increasing 15.3 per cent, The PetroVietnam Drilling & Well Service Corporation (PVD) rising 21.36 per cent, PetroVietnam Coating Corporation (PVB) increasing 8.39 per cent, PetroVietnam Construction Corporation (PVC)

gaining 11 per cent, PetroVietnam Oil Corporation (OIL) increasing 4.13 per cent.

The food and beverage industry was also quite active. Vinamilk (VNM), Masan Group (MSN), Kido Group (KDC) and GTNFoods JSC (GTN) all rallied.

Foreign investors net sold nearly VND349 billion on both exchanges. They net sold nearly VND277 billion on HOSE and net sold more than VND72 billion on HNX.

## Macro & Policies

### 2. Livestock industry targets production growth of 6 per cent

The production of meat is expected to reach about 5.7 million tonnes, including 3.67 million tonnes of pork (up 6.1 per cent), 1.5 million tonnes of poultry meat (up 5.8 per cent) and 395,000 tonnes of beef (up 6 per cent).

Meanwhile, eggs are expected to surge by 7.5 per cent year-on-year to about 15.6 billion and milk production to hit 1.21 million tonnes, up 11.5 per cent.

Deputy Minister of Agriculture and Rural Development Phung Duc Tien said another important task in 2021 for the livestock sector is to complete five strategic projects for the livestock industry in Viet Nam under the Livestock Development Strategy Project in 2021-2030.

In addition, the industry needs to make full use of investment from the State budget, official development assistance and the private sector to carry out scientific research and development programmes for animal varieties.

Besides continuing to build safe livestock facilities, Tien said the livestock industry should attract investment to build high-tech livestock production models to optimise production and create competitive and high-quality livestock products for export.

According to the Department of Livestock Production, the total number of pigs last year was 26.17 million, up 5 per cent year-on-year and the total number of cows was 5.87 million, up 4.2 per cent. The industry produced about 14.5 billion eggs, up 9.5 per cent.

The total output of animal feed was estimated at 20 million tonnes, up 5.6 per cent year-on-year.

The General Department of Customs reported Viet Nam imported 41,500 pig varieties worth US\$24.7 million, 301,000 pigs worth \$84.6 million, 3.4 million poultry worth \$17.9 million and 518,000 live buffalos for slaughtering, worth \$556 million.

In 2020, the livestock industry gained a total export value of about \$1.2 billion, including \$28.5 million from fresh, chilled or frozen pork exports, \$1.4 million from eggs, \$71.3 million from natural honey, \$25.1 million from fresh poultry meat and \$28.1 million from processed meat products. It also exported animal feed and raw materials for animal food production worth \$789 million.

Tien said last year, Viet Nam successfully controlled African swine fever helping the pig production industry recover to about 3 million sows and 26 million pigs, reaching 85 per cent of total volume before the African swine fever outbreak. In addition, the country boosted pork imports to make the pork price fall from the end of the third quarter.

Poultry production in 2020 grew by 10 per cent to a record high of 500 million.

#### Large investment

Meanwhile, the Department of Livestock Production's Deputy Director Nguyen Van Trong said there was a wave of large enterprises and corporations investing in livestock in 2020.

Many large poultry production companies like Minh Du, Cao Khanh and Dabaco expanded and upgraded breeding plants with an output of hundreds of millions of poultry each year.

Foreign-invested enterprises and other companies also made large-scale investments in the livestock sector, including Cargill, Japfa, Hoa Phat, Thaco, Mavin, Hung Nhon and Tan Long.

Most of the investment projects have a large production scale and use high technology and production chains, aiding the modernisation and sustainable development of the livestock industry, according to the department.

They included CP Viet Nam Joint Stock Company's \$250-million poultry slaughter plant in Binh Phuoc Province. The plant has a slaughtering output of 50 million chickens in the first phase and 100 million chickens in the second phase, making it the largest

chicken production, slaughtering and processing plant in Southeast Asia.

Masan Group's Masan MEATLife Joint Stock Company put the MEATDeli Saigon Meat Processing

Complex into operation in Long An Province with a total capital of VND1.8 trillion. The complex has a designed capacity of 1.4 million pigs per year to produce 155,000 tonnes of chilled meat products and products made from chilled meat.

### 3. Central bank targets credit growth of 12 percent in 2021

The State Bank of Vietnam (SBV) targets a credit growth rate of 12 percent in 2021, equivalent to the growth of 12.13 percent last year, according to SBV Deputy Governor Dao Minh Tu.

However, the goal is not a fixed figure, as the central bank may adjust it if necessary, Tu said at a press conference in Ho Chi Minh City on January 7.

He said that in case the COVID-19 pandemic is totally controlled, and the economy needs fast recovery, leading to an increased credit demand, the SBV will expand credit to support businesses and economic recovery.

Vice versa, if there is signs that the economy needs tighter control to curb inflation, the credit growth will be slashed, he said.

Tu added that the support for businesses during the post-pandemic period is defined as one of the major tasks of the banking sector in 2021.

The bank is submitting a proposal to the Prime Minister on the adjustments of regulations on foreign credit institutions and bank branches' debt restructuring, interest and fee reduction and exemption and debt classification maintenance to support customers affected by COVID-19.

In 2020, the SBV exerted numerous efforts to maintain a suitable credit growth rate, while credit for risky areas was tightly controlled. Credit institutions also launched many programmes to offer soft loans to customers.

As of December 31, 2020, credit outstanding loan of the economy reached nearly 9.2 quadrillion VND, up about 12.13 percent year on year. The rise was 13.65 percent in 2019.

### 4. Expanding digital-only lenders open up framework questions

Digital-only group TNEX, in partnership with Vietnamese lender Vietnam Maritime Bank (MSB), is boasting about its service speed as a core component of its business. It takes just a few minutes to register, and new customers will immediately receive a free-for-life revolutionary bank account and virtual debit card with virtual TNEX Blue Card within 24 hours.

According to Bryan Carroll, TNEX CEO and also chief digital officer at MSB, TNEX is the first cloud-based bank in Vietnam where everything is open source.

TNEX leverages user data analytics, AI, and machine learning for event streaming, and also a number of Amazon tools. It will also shortly move to utilising facial recognition.

Its in-house electronic Know-Your-Customer makes use of data science – customer data captured can be used to improve the customer experience, such as using it to make payments.

“TNEX's mission is to provide inclusive, secure, free, and innovative financial and lifestyle solutions for every individual and small- and micro-sized enterprises in both urban and rural areas,” Carroll said.

“We have not followed traditional banks that run campaigns to teach their customers how to use products. Instead, our products are articulated in a way that they understand,” he added.

Vietnam boasts great potential for digital financial services, with 80 per cent of the population under 52 years of age, 68 million internet users, and 148 million active mobile subscriptions.

Besides new entrant TNEX, several other players are vying with each other to increase their footprint.

Timo Bank, the acclaimed digital-only lender which has operated in Vietnam for five years, recently started its partnership with Viet Capital Bank, saying it would “bring a seamless and smooth banking experience, fuelled by technology and innovation”.

Viet Capital Bank CEO Ngo Quang Trung explained, “Digital transformation is an inevitable trend for banks because of the social context as well as the rapid change of technology that has shifted customer habits. Viet Capital Bank is not an exception to this trend. Fintech is the future and we have been quick to capitalise on this trend for development and growth.”

“In the upcoming roadmap for development, Viet Capital Bank is pivoting towards providing a banking platform and services to partners operating in the fintech space,” Trung added. “Timo is a partner that we highly appreciate not only for its experience and the similarity of our visions but also its customer experience efforts over time.”

Before tying the knot with Viet Capital Bank, Timo cut ties with its original banking partner, VPBank. The latter has nevertheless been making strides to build its own digital subsidiary with YOLO, which since 2018 has focused on younger people.

Replicating a strategy that has made Chinese tech giants Tencent and Ant Financial global fintech leaders, YOLO is pursuing the idea of providing a digital ecosystem with diversified services combined with a bank.

It is now in close relationship with Mastercard to issue debit cards services, without visiting brick-and-mortar branches.

Elsewhere, Wee Digital – a Vietnamese startup offering digital banking experience through biometrics-based solutions and deep data analytics – has received much attention from international and local investors alike.

In June 2020, the startup successfully raised a seven-digit US dollar amount from South Korean InterVest and existing backer VinaCapital Ventures.

Wee Digital said it will use the funding to expand its operations across Vietnam and focus on partnering with banking clients in applying biometrics solutions to their services, enhancing customer experience, according to Dealstreetasia.

In Vietnam, some major lenders have also sped up with digitally-led services, together with virtual banks such as TPBank with LiveBank, and OCB with OMNI.

Virtual banks in Vietnam currently have to pair up with more-established groups as current regulations are currently restrictive and incomplete.

Dao Minh Tu, Deputy Governor of the State Bank of Vietnam, said digitally-led banking services are expanding at a breakneck pace, facilitating various perks for clients, especially amid the pandemic. However, it is not straightforward to properly manage and build a comprehensive legal framework for virtual banks.

“We need to thoroughly study how to manage this kind of bank,” Tu emphasised.

According to Tu, e-payment methods of ride-hailing platforms like Grab are already causing authorities to scratch their heads in terms of a suitable legal framework. Preparation for such a framework for fintech sandboxes is underway, but issuing official policies may still be some way off.

## 5. Vietnam Was Likely the Third-Largest Solar Market in 2020

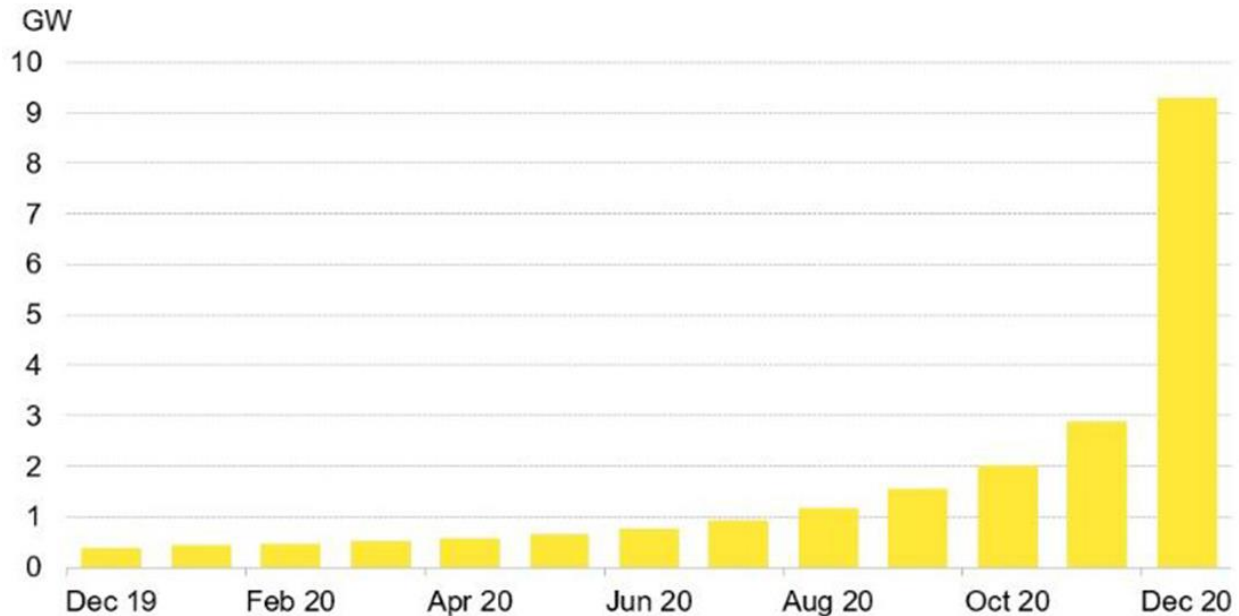
The 9.3GW figure would mean over 6GW of rooftop solar were built just in December 2020, out of which

4.6GW were commissioned in the last week of the year alone. State utility Vietnam Electricity Group

(EVN) reported that rooftop solar installations totaled just 2.9GW in November 2020 and 4.7GW on December 25, 2020.

The future of the FiT is uncertain, and EVN has announced it will not sign any more power purchase agreements before a new scheme is introduced. We expect a slowdown in 2021 even if new legislation is finalized, as grid issues will need to be resolved.

## Cumulative installed rooftop solar capacity in Vietnam



Source: BloombergNEF

### 6. Spending on essential consumer goods in HCMC up 5-10%

The hike in the spending on essential consumer goods was attributed to the higher demand for goods for the upcoming Lunar New Year holiday and retailers' effective programs to stimulate consumption, news site Vietnamplus reported.

Enterprises and retailers in the city have increased the supply of goods to meet the demand from locals.

Specifically, Co.op Food, an arm of the Saigon Union of Trading Cooperatives (Saigon Co.op), has opened eight stores in HCMC, Long An, Danang and An Giang, which are offering a 20-50% discount for food products, vegetables, fruits, essential consumer goods and household appliances.

Ho Thi Hong Dao, deputy director of marketing at Saigon Co.op, said its model which matches modern

consumption habits has helped Saigon Co.op develop quickly and powerfully in the past few years.

To promptly distribute essential goods and stabilize prices during the upcoming Lunar New Year holiday, Saigon Co.op is offering big discounts on more than 1,200 products.

Similarly, Central Retail Vietnam also launched a program to sell fresh pork without earning profits early this month.

Nguyen Thi Bich Van, director of communications at the group, said it had worked with suppliers to conduct the program to help stabilize the prices of pork.

With a motto to prioritize locally-made products, Central Retail has signed agreements to help consume the products of the “One Commune One Product” program with seven suppliers in Dong Nai Province.

Food processing firm VISSAN has planned to launch more than 7,500 tons of goods, including 2,300 tons

of fresh pork and beef and 5,200 tons of processed products, up 5% and 10%, respectively, year-on-year.

VISSAN has committed to keeping the prices of products stable before and after the Tet holiday. In addition, it has reduced the prices of products by 5-10% at its outlets.

## 7. Online promotion a trade gateway for SMEs

The Viet Nam Trade Promotion Agency has encouraged localities, businesses and trade promotion organisations to develop online marketing measures during the COVID-19 pandemic.

It wants businesses to adopt trade promotion activities on digital platforms, develop e-commerce activities and increase the use of information technology in their operations.

It will strengthen trade promotion programmes for exports and foster online trade links between Vietnamese businesses and import partners.

Nguyen Huu Tin, director of the HCM City Investment and Trade Promotion Centre (ITPC), said supply chains are disrupted and e-commerce showed it could help SMEs maintain their operations.

Digital transformation could help firms penetrate and expand export markets, and set up a more flexible and efficient export model, he said.

A number of Vietnamese firms are now adopting business-to-business and business-to-consumer e-commerce business models, he added.

Globally, cross-border e-commerce is developing rapidly and becoming a major trend in trade.

Under the national e-commerce development master plan for 2021-25 and the national digital transformation programme, Viet Nam has identified digital transformation as vital to speeding up modernisation of its distribution system, increase enterprises' competitiveness, develop the domestic market, and increase exports.

Online trade promotion is considered crucial to helping SMEs enhance trade activities and expand export markets amid the pandemic.

To Hoai Nam, standing vice-chairman and general secretary of the Viet Nam Association of Small and Medium Enterprises (VINASME), said, however, that Vietnamese SMEs have limited resources so have great difficulty adopting digitisation in trade promotion and exports.

So VINASME has called on the Ministry of Industry and Trade to help SMEs export by setting up a B2B e-commerce channel under the National Trade Promotion Programme this year.

The programme aims to help traders and producers advertise their goods in the global marketplace.

The association will build a B2B e-commerce site based with Global Sources, a US e-commerce corporation.

The programme is meant for manufacturers and traders in labour-intensive industries such as textiles, footwear, handicrafts, furniture, and plastic goods.

The association has also undertaken online trade promotion activities instead of sending to Vietnamese delegations to participate in international trade fairs and exhibitions.

It has implemented a number of programmes to assist SMEs with increasing exports through the internet and doing business on B2B e-commerce sites.

According to the Multilateral Trade Policy Department, trade promotion activities are now



moving online, especially due to the COVID-19 pandemic, which also helps businesses save significant amounts of money.

According to the Viet Nam E-Commerce Association, the country's e-commerce market will grow by more than 30 per cent this year to \$15 billion and to \$52 billion by 2025.

## Corporate News

### 8. HDG: HDG receives a certificate to issue new bonds

↓ -0.23%

On December 30, 2020, the State Securities Commission of Vietnam granted Certificate No.336/UBCK-GCN to Ha Do Group Joint Stock Company so that Ha Do Group Joint Stock Company can offer its bonds to the public as follows:

Listed firm: Ha Do Group Joint Stock Company  
 Paid-in charter capital: VND1,542,750,180,000  
 Stock symbol: HDG  
 Stock type: non-convertible bonds  
 Par value: VND100,000

Total offering volume: 2,500,000 bonds  
 Total issue value (basing on par value): VND250,000,000,000  
 Distribution time:  
 - Phase1: within 90 days from the effective date of the certificate.  
 - Phase 2: expected in quarter I- quarter II, 2021.  
 Offering method: according to the Company's prospectus.  
 Advisory company: Viet Capital Securities Joint Stock Company.

### 9. NVL: NVL receives a certificate to issue new shares

↑ 6.17%

On December 31, 2020, the State Securities Commission of Vietnam granted Certificate No.350/UBCK-GCN to No Va Land Investment Group Corporation so that No Va Land Investment Group Corporation can offer its shares to the public as follows:

Listed firm: No Va Land Investment Group Corporation  
 Paid-in charter capital: VND9,862,852,970,000  
 Stock symbol: NVL  
 Stock type: Common Stock

Par value: VND10,000  
 Total offering volume: 77,666,501 shares  
 Total issue value (basing on par value): VND776,665,010,000  
 Distribution time: within 90 days from the effective date of the certificate.  
 Offering method: according to the Company's prospectus.  
 Advisory company: Ho Chi Minh City Securities Corporation.

**Research Team:**

**Tsugami Shoji**    *Researcher*

[jsi@japan-sec.vn](mailto:jsi@japan-sec.vn)

**Disclaimer:**

*Copyright 2015 Japan Securities Incorporated (JSI). All rights reserved. This report has been prepared on the basis of the information believed to be reliable at the time of publication as provided by StoxPlus (www.stoxplus.com) - An associate company of Nikkei Inc. and QUICK Corp. JSI makes no representation or warranty regarding the completeness and accuracy of such information. This report is provided, for information purposes only and does not constitute an offer or solicitation to buy or sell any securities discussed herein any jurisdiction. Investors must make their investment decisions based upon independent advice subject to their particular financial situation and investment objectives. This report may not be copied, reproduced, published or redistributed by any person for any purpose without the written permission of an authorized representative of JSI.*

***Japan Securities Incorporated – 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](mailto:info@japan-sec.vn)*

*Website: [www.japan-sec.vn](http://www.japan-sec.vn)*