



# VIETNAM DAILY NEWS

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## Market Analysis

### 1. Shares edge higher on large-cap stocks

The market maintained its rally on positive sentiment with some big stocks suddenly surging at the end of Thursday's session.

On the Ho Chi Minh City Stock Exchange (HoSE), the VN-Index climbed 1.61 per cent to 1,174.38 points. The index started the first trading session after the Tết holiday on Wednesday with an increase of 40.85 points, equivalent to 3.66 per cent.

"The VN-Index will head to test a resistance territory of 1,160 - 1,180 points in the other trading days of the week. Selling pressure at this resistance territory might increase, making the market face strong fluctuations," Bảo Việt Securities Co. said in a daily report.

At the end of the session, 227 stocks increased, of which 20 stocks recorded the maximum daily gain of 7 per cent, while 166 stocks declined. And 55 stocks ended flat.

During the session, over 614.8 million shares were traded on the southern bourse, worth VNĐ15.13 trillion.

All sectors posted positive results with banking, production and construction stocks outperforming others. In the morning session, energy stocks of the utilities sector dominated the market, while many big stocks from banking, construction and production sectors decreased.

The sudden change in trend was widely expected by analysts since the February 2021 contracts expired on Thursday.

Top five influencing stocks in the market were Vietcombank (VCB), up 2 per cent, Saigon Beer - Alcohol - Beverage Corporation (SAB), up 6.12 per cent, Vietnam Rubber Group JSC (GVR), up 6.81 per cent, Vinhomes JSC (VHM), up 2.18 per cent and Vingroup JSC (VIC), up 1.85 per cent.

The large-cap tracker VN30-Index was also up more than 1 per cent to end Thursday's session at 1,187.94 points. Twenty-five of the 30 biggest stocks in the VN30 basket rose, while only two stocks declined.

On the Hà Nội Stock Exchange (HNX), the HXN-Index climbed 0.17 per cent to 230.96 points. The HXN30-Index also rose 0.66 per cent to 353.02 points.

Domestic investors poured over VNĐ2.2 trillion into the northern market, equivalent to 127.24 million shares.

In general, the market's liquidity was higher than the day before with total trading volume of 796 million shares, worth nearly VNĐ18.2 trillion.

Foreign investors were net buyers on HoSE with a net value of VNĐ616.18 billion. Meanwhile, they were still net sellers on the northern market. They net sold VNĐ28.64 billion in shares on Thursday.

## Macro & Policies

### 2. Tien Giang Province sees rosy signs in export

The Mekong Delta province of Tien Giang has seen rosy signs in export in early 2021, with export turnover reaching 270 million USD, up 36 percent year-on-year.

According to Vice Chairman of the provincial People's Committee Tran Van Dung, Tien Giang shipped abroad nearly 9,300 tonnes of processed aquatic products since the beginning of this year, earning 18.5 million USD, up more than 29 percent in volume and about 7 percent in value year-on-year.

Significant growth has also been recorded in the export of vegetables and fruit, rice, leather and footwear, handbags and plastics.

The locality is making efforts to raise the total export revenue to 3.25 billion USD in this year, the official said.

Tien Giang will work to complete the dual goals of containing the COVID-19 pandemic, and spurring

socio-economic development, focusing on the production and export of farm produce and major goods.

The province has optimised opportunities generated by new-generation free trade agreements (FTAs) such as the EU-Vietnam Free Trade Agreement (EVFTA) and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), in an effort to boost the agricultural production and export to markets worldwide.

The deals are also expected to attract more orders in garment-textile, leather and footwear, fruit and vegetables, and rice sectors.

Apart from administrative reform, Tien Giang has improved the local investment and business environment, and encouraged businesses to upgrade equipment and improve product quality and packaging, and expand the market.

### 3. Viet Nam's January's footwear exports rise by 26.4 percent y-o-y

Vietnam's footwear exports are estimated at 1.8 billion USD in January, up 26.4 percent year-on-year.

In the month, the production index of leather and related products increased by 20.8 percent, and the output of leather footwear is estimated at 21.9 million pairs, up 3 percent against that of January 2020.

According to the Ministry of Industry and Trade, new supply chains established as a result of the

COVID-19 pandemic will be opportunities for Vietnamese footwear enterprises to participate deeply in the global supply chain.

Moreover, FDI enterprises continue to invest and expand their production, contributing to the growth of the footwear industry in the coming time.

Last year, the industry exported 19.5 billion USD, down 11.5 percent compared to 2019. It was one of the sectors hardest hit by COVID-19.

### 4. Intel Products: Vietnam increases value of high-tech investment SHTP

#### The importance of IPV to Intel

Intel invested another \$475 million in IPV - the single assembly and test plant with the largest cleanroom facility within Intel Assembly and Test

(ATM) network based in SHTP. This is a new investment besides the \$1-billion investment of Intel to build the most modern chip assembly and test plant at SHTP, first announced in 2006. Thus,

the total investment of Intel at SHTP is now nearly \$1.5 billion.

With this additional investment, IPV will increase the production of Intel's 5G products, Intel Core processors with Intel Hybrid technology, and the 10th generation Intel Core processors. In November 2006, Intel announced a \$1 billion investment to build a 47,000-square-meter cleanroom facility in SHTP. It is a project with strategic importance, associated with the establishment and development of SHTP in particular, and high technology in HCMC in general. It is also the largest US high-tech investment project in Vietnam.

Up to now, IPV is the largest manufacturing, assembly, and testing facility in the Intel Assembly and Testing network and one of the nine manufacturing facilities that Intel has globally. Since its operation in October 2010, IPV has created more than 5,000 jobs for high-skilled domestic workers in many fields. "In March 2020, IPV held a celebration marking the two-billionth product produced at IPV based in SHTP. We are very proud of this important milestone, which proves the importance of IPV along with Intel in meeting the needs of customers around the world. This is also the reason why we continue to invest in our facility and team in Vietnam," said Kim Huat Ooi, Intel Corporation Manufacturing and Operations-Vice President cum Intel Products Vietnam-General Manager.

### **Contributing to the development of local technology ecosystems**

The IPV plant is an important part of the production chain of Intel worldwide. Along with Intel's transformation from a CPU to a multi-architecture XPU company, IPV will continue to diversify and improve its operations to adopt more complex technologies and new products, allowing Intel to take advantage of new market opportunities.

At the ceremony to grant the adjusted investment registration certificate - investment expansion phase 1, Mr. Nguyen Anh Thi, Head of the Management Board of the SHTP said that Intel's investment capital increase had a significant meaning to Vietnam, HCMC in general, and SHTP in particular. Especially in the difficult context that due to the impact of the Covid-19 pandemic, most enterprises were seriously affected. This also showed the confidence of Intel in the domestic human resources, as well as the stable investment environment in Vietnam. SHTP would continue to create the best conditions for Intel's operations and would like to welcome more US investors, who are planning to invest and expand investment in Vietnam.

Not only was the production value created, but the added-value from investment was also expanded. The number of suppliers of Intel has increased sharply, from 20 suppliers in 2010 to around 180 in 2020. Intel has contributed to Vietnam's technology ecosystem in many ways, such as policy innovation, export value, job creation, and local supply chain systems. Particularly, Intel has developed a workforce with nearly 10,000 engineering teachers being trained and awarded thousands of scholarships. In Vietnam, Intel has also provided technical expertise and management to many localities, at the same time, help to expand business activities, and provide services to foreign direct investment customers in the same industry.

IPV started construction in 2006 and was put into operation in 2010. By the end of 2020, the total accumulated export value of IPV exceeded \$50 billion. It has created nearly 7,000 jobs, of which, there are 2,700 Intel employees. IPV is one of the largest places to receive US high-tech investment in Vietnam.

## **5. Vietnam ranked among world's top 10 emerging logistics markets**

The country had an overall score of 5.67 out of 10 in the 2021 Emerging Markets Logistics Index released by leading logistics company Agility.

The firm ranked 50 economies based on three factors that make them attractive to logistics providers, freight forwarders, shipping lines, air

cargo carriers, and distributors: domestic logistics opportunities, international logistics opportunities and business fundamentals.

Vietnam performed well in international opportunities, ranking fourth globally. It was 18th in domestic logistics opportunities and 21st in

business fundamentals, which include regulatory environment, credit and debt dynamics, contract enforcement, anti-corruption safeguards, price stability, and market access.

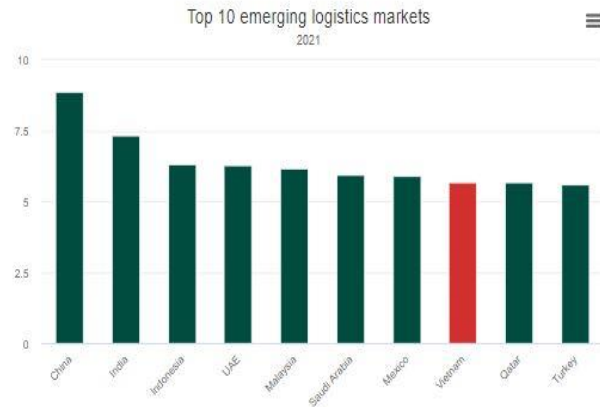
"Vietnam has made strides as a manufacturing destination as a small number of companies has looked to ease dependence on Chinese production as a result of U.S.-China trade friction, rising costs and the Covid-19 crisis," the report said.

Vietnam's climb by three places to eighth demonstrates it effectively contained the spread of the virus, positioned itself deftly to absorb manufacturers seeking to leave China and possesses an enviable investment pipeline across a number of sectors, including fashion and electronics, which could see its rise continue in 2022, the report said.

China remained the world's leading emerging logistics market followed by India. Indonesia (3rd) and Malaysia (5th) were Southeast Asian countries that did better than Vietnam in the ranking.

According to the Vietnam Logistics Business Association's latest survey, there are around 30,000 logistics companies in the country, 4,000 of them foreign-owned.

The industry has been growing at 12-14 percent annually and is now worth \$40-42 billion.



## 6. Vietnamese electronic exports enjoy boom according to HSBC

This comes after the country's exports witnessed an annual surge of 50.5% in January, with the primary driver behind this growth being Samsung's newly-released Galaxy S21 smartphone.

Most notably, electronics exports last year reached a record high of US\$96 billion, representing a third of total Vietnamese exports.

HSBC largely attribute this rapid rise to Samsung's investments in the country since 2008, with the South Korean company now operating six plants nationwide.

Furthermore, the country has also emerged as a growing supplier of chips, with over 11% of the global market share in 2019 after surging by 300% that year.

This increase in the production of computers also supports chip production.

Intel of the United States also established a chip assembly and testing facility in 2006 at a cost of

US\$1 billion, whilst reportedly injecting a further US\$475 million in January in order to manufacture 5G products and core processors.

Moreover, tech giant Apple has been producing AirPods locally since May, 2020, and is likely to start producing iPads as early as the middle of this year.

Foxconn, a key supplier of Apple, also received a license in January to build a plant at a cost of \$270 million in the northern province of Bac Giang. The Taiwanese contract manufacturer has so far invested a sum of US\$1.5 billion in the country.

Moving forward, the nation's competitive policies will continue to attract quality FDI, a factor which HSBC note as being crucial in helping the country move up the value chain.

Indeed, the nation must improve labour productivity through better education and vocational training, with the other priority being to improve infrastructure, according to the report.

## 7. PM orders review of solar power development-related issues

Prime Minister Nguyen Xuan Phuc has asked the Ministry of Industry and Trade (MoIT), localities and Vietnam Electricity Group (EVN) to review issues related to Vietnam's solar power development.

Solar power development has gained positive results and investment, contributing to the effective exploitation of this power source, as well as electricity supply and energy security in Vietnam.

The development of rooftop solar power, however, has been incompatible with power demand, especially last December, hampering the operations of the national grid.

Of note, power demand saw a decline due to the ongoing COVID-19 pandemic. Total produced and imported power capacity of the national grid stood at about 245.9 billion kWh, up around 2.7 percent against 2019 but down 15.6 billion kWh compared to the operation plan of the national electricity grid approved by the MoIT.

Since the start of 2021, EVN has rolled out measures to cut down solar power sources as well as other renewable energy sources in the national grid.

To ensure the development of solar power in line with the regulations and in an efficient manner,

relevant agencies have been asked to study and address problems in solar power development over the recent past, particularly rooftop solar power as well as bolster inspections in the field to promptly detect and handle violation cases.

They are also tasked with mapping out effective management measures for renewable energy sources, especially solar power in the coming time, in a bid to minimise the reduction of installed renewable energy sources and economic losses of investors.

Leaders of localities nationwide are also ordered to observe regulations on rooftop solar and ground-mount solar power systems, and avoid unregulated installation of power sources which may cause overloading.

EVN's statistics showed that as of the end of 2020, total power capacity in the national grid, excluding that of rooftop solar power, had surpassed 62,000 MW.

Capacity of solar panels installed on the ground hit 8,838 MW, while that of rooftop solar power joining the national grid about 8,000 MW.



## Corporate News

### 8. VJC: Thai Vietjet ranked second for 2020 market share

↑ 0.61%

According to the Civil Aviation Authority of Thailand's (CAAT) latest air transport statistics for the fourth quarter of 2020, low-cost carriers (LCCs) accounted for over 80 per cent of the country's domestic market share.

Having launched schedule services since September 2016 as the last airline to enter Thai market, Thai Vietjet has won trust from local and international travellers over the last four years.

Thai Vietjet is a joint venture between Vietjet and Thai airline Kan Air. Thai Vietjet is co-operating with Vietjet to extend its flight network and provide more opportunities for travellers in the

world to discover Thailand and many other countries.

Currently the airline operates 14 domestic routes from Bangkok to Chiang Mai, Chiang Rai, Phuket, Krabi, Hat Yai, Khon-kaen, Nakhon Si Thammarat, UbonRatchathani, Surat Thani, Udon Thani plus the direct flight from Chiang Rai to Phuket, Hat Yai, and Udon Thani, direct flight from Chiang Mai to Nakhon Si Thammarat.

It is also providing flights on eight routes connecting Thailand and Việt Nam such as Bangkok to Đà Lạt/Đà Nẵng, and more international routes from Thailand to mainland China.

### 9. HPG: Hoa Phat Group exports 22,000 tonnes of galvanised steel sheets in Jan-Feb

↑ 0.92%

Hoa Phat Group has exported more than 22,000 tonnes of galvanised steel sheets to European and American countries since the beginning of the year.

The group said it shipped about 10,000 tonnes to its partners in Belgium and Spain during January.

Over 12,000 tonnes, mainly cold-rolled sheets, were then exported to America in February.

The Hoa Phat Steel Sheet Company, a subsidiary of Hoa Phat Group, began exporting its products in August 2020 after focusing on the domestic market. Its products have gradually conquered major markets such as the EU, the US, and Australia.

It targets producing 300,000-400,000 tonnes of products each year, with 30-40 percent to be exported.

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