



# VIETNAM DAILY NEWS

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## Market Analysis

### 1. Shares gain on bank and real estate stocks

The market closed higher on Monday as a series of banking and real estate stocks surged, propelling the indices.

The benchmark VN-Index on the Ho Chi Minh Stock Exchange (HoSE) rose 0.95 per cent, equivalent to 11.6 points, to 1,236.05 points. The market breadth remained neutral as 226 stocks climbed while 201 stocks fell and 62 ended flat.

From the beginning of the afternoon session to the end of the trading day, system overload occurred and persisted, meaning trading changed little compared to the end of the morning session.

The market liquidity was high with a trading volume of over 693 million shares, worth over VND16.8 trillion.

“The market's upturn momentum continued in the first session of the week thanks to the active movement of banking and real estate sectors,” said BIDV Securities Co.

“Investment cash flow decreased slightly compared to the previous session. Liquidity increased slightly and market breadth was neutral, reflecting the balance of buying and selling power after the market broke through the 1,200-point level.

“Foreigners returned to be net buyers on the HSX and net sellers on the HNX. With the return of foreign investors' net buying and stable domestic

cash flow, BSC maintains the view that the market will consolidate shortly in the 1,215-1,230 range,” the company said.

Foreign investors net bought VND122.98 billion on HOSE, including Masan Group (MSN) (VND126.5 billion), E1VFN30 (VND85.8 billion) and Hoa Phat Group (HPG) (VND76.6 billion). They were net sellers on the HNX with a value of VND19.25 billion.

The VN30-Index, which tracks the 30 biggest stocks on the southern bourse, increased 0.96 per cent, equivalent to 11.87 points, to 1,249.90 points.

In the VN30 basket, 20 stocks rose, while nine declined and one stayed unchanged.

Stocks from banking and real estate posted a good performance on Monday.

Notable gainers included Vietcombank (VCB), Military Bank (MBB), Sacombank (STB), Eximbank (EIB) and Bank for Investment and Development of Vietnam (BID), Vingroup (VIC), Novaland (NVL), Vinhomes (VHM), Phat Dat Real Estate (PDR) and Vincom Retail (VRE).

On the Ha Noi Stock Exchange (HNX), the HNX-Index lost 1.24 per cent to close Monday at 291.24 points.

In Monday's trade, some 154.5 million shares were traded on the northern bourse, worth nearly VND2.5 trillion.

## Macro & Policies

### 2. Vietnam's iron and steel exports go through the roof

According to statistics from the Ministry of Industry and Trade, Vietnam's exports of iron and steel reached \$1.826 billion in the first quarter of 2021, up sharply by 65.2 per cent (equivalent to \$720 million) on-year. Of these, the exports of crude steel and iron, as well as rolled steel increased by 14.4 and 54 per cent while that of steel angles decreased by 1.6 per cent.

Due to international economic integration, the implementation of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership and the EU-Vietnam Free Trade Agreement helped the Vietnamese steel and iron industry to boost production and exports to new markets in the forthcoming time.

Taking advantage of the promising opportunity, leading steel-producers like Hoa Phat Group (HPG) and Hoa Sen Group (HSG) have begun exporting large batches to potential markets in Europe and the Americas over the past three months.

Particularly, Hoa Phat Group, the sole enterprise in Vietnam to produce prestressed steel cable, delivered a lot of more than 2,000 tonnes of this speciality steel to partners in the United States in March, pursuant to contracts signed previously. Previously, Hoa Phat shipped more than 12,000 tonnes of mainly cold galvanised steel products to the Americas in February 2021.

Nguyen Thi Thu Trang, director of the WTO and International Trade Center under the Vietnam Chamber of Commerce and Industry, shared that Vietnamese steel companies need to familiarise themselves fully with international trade and focus on improving their competitiveness, product quality, and localisation rate to preclude the risk of lawsuits and trade remedies in export markets. Besides, the protection from the state also plays a key role for Vietnamese steel to stand firm in export markets against the challenges of trade defence in the upcoming time.

### 3. “Vaccine passport” hoped to support resumption of international flights

As COVID-19 cases have been on the decline around the world and vaccination programmes have been rolled out in many countries, agencies and businesses at home and abroad are hopeful that the introduction of “vaccine passports” will allow the resumption of international flights.

These passports are expected to become used globally and boost countries' confidence in easing movement restrictions, reviving their aviation sector, and bolstering trade and economic development while ensuring safety amid the pandemic.

In Vietnam, domestic flights have been resumed and the Prime Minister has asked relevant agencies to study the use of “vaccine passports” and gradually reopen international flights.

Vice Chairman and General Secretary of the Vietnam Aviation Business Association (VABA) Bui Doan Ne said the Government needs to promote quarantine

tourism at lodging establishments and develop on-the-spot experiential tourism products which will help domestic and foreign holidaymakers explore the culture and tourism of Vietnam's regions right during quarantine.

The Government has made preparations for the resumption of international flights and the arrival of foreign tourists holding vaccination certificates, especially from countries with large numbers of visitors, those with potential, and those that have brought the pandemic under control, like in Europe, Australia, China, the Republic of Korea, and Japan.

Trinh Van Quyet, Chairman of Bamboo Airways, predicted that vaccinations around the globe will create a breakthrough in the aviation sector by year's end, and the carrier will expand its fleet from 29 to 40 this year.

Meanwhile, national flag carrier Vietnam Airlines affirmed that it stands ready to work with relevant

agencies to study and pilot “vaccine passports” as part of a roadmap to gradually resume its international flight routes.

Though international passenger flights have been disrupted, the carrier has maintained its flight network through repatriation flights bringing

citizens home, cargo services, and one-way flights to foreign destinations.

It also keeps a close watch on developments relating to the pandemic and the market to adopt suitable plans for the reopening of international flights.

#### 4. Vietnam’s manufacturing sector strengthens in March

Vietnam's manufacturing sector gained growth pace at the end of the first quarter, with marked increases in output, new orders and exports, leading to stronger rises in employment and purchasing activity, according to a report by the London-based global information provider IHS Markit.

In the report on Vietnam Manufacturing Purchasing Managers' Index (PMI) in March revealed on April 1, IHS Markit said business confidence in the country also surged to a 20-month high.

The index rose to 53.6 in March, up from 51.6 in February and signalling a solid improvement in the health of the manufacturing sector. In fact, business conditions strengthened to the greatest extent in 27 months.

Signs of improving customer demand and success in keeping the COVID-19 pandemic under control helped to support rises in new orders and output in March.

New business increased for the seventh successive month, and at the fastest pace since July 2019. In some cases, clients had expanded their order sizes over the month. There were also signs of improvement in international demand conditions, helping lead to the greatest increase in new business from abroad since November 2018.

Production, meanwhile, rose at a much faster pace than in February, with the rate of growth hitting a 20-month high. Output was up across all three broad sectors, with consumer goods firms leading the expansion.

Higher new orders and expanded production requirements encouraged Vietnamese manufacturers to increase their staffing levels and purchasing activity during March.

Employment rose at a modest pace, but still the strongest since June 2019. Similarly, input buying increased to the greatest extent in 20 months.

On a less positive note, disruption to supply chains continued to affect the sector and led inflationary pressures to strengthen. Input costs and output prices rose at the fastest rates in just over three and four years respectively.

Difficulties sourcing raw materials remained, with suppliers' delivery times continuing to lengthen. Issues with the importing of items, material shortages and a lack of shipping containers all contributed to longer lead times. That said, vendor performance declined to the least extent in four months and firms were able to expand their stocks of purchases.

Stocks of finished goods also rose, due to a combination of higher production and issues with the delivery of orders.

Shortages of raw materials, often due to the COVID-19 pandemic, led to a sharp and accelerated increase in input costs during March. In particular, higher steel prices and increased costs for items sourced from China were mentioned. The latest rise was the fastest in just over three years.

Output prices, meanwhile, were raised at the sharpest pace in just over four years as manufacturers passed on higher input costs to their customers.

Commenting on the latest survey results, Andrew Harker, Economics Director at IHS Markit, said the Vietnamese manufacturing sector saw growth step up a level in March, with production rising at the fastest pace in 20 months according to the latest PMI data.

Based on the historical relationship between the PMI and official numbers, the latest figures suggest

manufacturing production secured double-digit growth year-on-year in the first quarter.

## 5. More Vietnamese carriers resume international routes

The move is part of efforts to restore its international flights in a safe fashion, meet passengers' demand, and contribute to boosting growth of the economy and the tourism sector.

Accordingly, flights will be on routes between Viet Nam-Thailand every Friday. Flights from Ha Noi to Seoul (Republic of Korea) are scheduled to depart on April 15.

Flights from Ha Noi to Tokyo will take off on April 6, 7, 10, 11, 12, 13, 14, 19, 20, 23, 26, 29 and 30.

Flights from Ha Noi to Taiwan will depart on April 11.

Earlier, national flag carrier Vietnam Airlines also announced it would resume international routes between Ha Noi - Narita (Tokyo, Japan), Ha Noi - Incheon (Seoul, South Korea), Ha Noi - Sydney and HCM City - Sydney (Australia), from April 1. In addition, the national airline also planned to launch package flights from Japan, South Korea, and Taiwan (China) after being licensed from the authorities.

Accordingly, flights from Ha Noi to Seoul will depart on Thursdays, while those to Tokyo will take off on

April 3, 8, 11, 16, 23, 27, and 29. In May and June, Viet Nam will operate two flights per week on this route, on Thursdays and Saturdays.

It will operate Ha Noi-Sydney flights on Saturdays and HCM City-Sydney flights on Thursdays and Sundays.

Under the Ministry of Health's regulations, all flights from Viet Nam currently only serve Vietnamese nationals studying or visiting relatives in foreign countries and foreigners returning home from Viet Nam.

Passengers are requested to study related regulations from diplomatic missions to prepare the necessary documents and procedures.

Vietnam Airlines also plans to conduct charter flights from Japan, the Republic of Korea (RoK), and Taiwan (China), depending on licences from relevant authorities.

The national flag carrier is opening bookings for flights to the RoK, Japan, and Australia at ticket agents and on [www.vietnamairlines.com](http://www.vietnamairlines.com).

## 6. Tightening market management on traditional and digital trade

The General Department of Market Surveillance has issued Decision 888/QD-TCQLTT on a plan to fight and prevent counterfeit goods, goods of unknown origin and goods infringing intellectual property rights for the 2021 - 2025 period.

Tran Huu Linh, director general of the General Department for Market Surveillance, said that the goal of this plan was to communicate and guide the law in combination with the signing of commitments with traditional as well as e-commerce businesses, organisers and managers of wet markets, trade centres, streets, wards, communes, villages, and craft villages.

This aimed to raise awareness and responsibility in obeying law in production and business activities. Linh affirmed that this was a long-term plan, with specific goals for each year.

With specific plans, it is expected that by 2021, all supermarkets and commercial centres in 12 major cities and provinces will not do trade counterfeit goods, goods of unknown origin and goods that infringe intellectual property rights.

Along with that, e-commerce trading floors including Lazada, Tiki, Shopee, Sendo, Hotdeal and major e-commerce sites including FPT Shop, Dien may xanh, The gioi di dong, Zalora, Lotte, and

Zanado all signed commitments to not trade in counterfeit goods, goods of unknown origin and goods that infringe intellectual property rights.

In addition, 60 per cent of businesses will be encouraged to sign commitments not to trade such goods and not repeat infringements.

Recently, the market management forces have investigated and closed a series of establishments and warehouses producing fake goods.

On March 30, Team 368 co-ordinated with the Market Management Team 1 and 14, Ha Noi Market

Management Department to seize hundreds of product codes covering thousands of products from clothing, household appliances to low-quality cosmetics, which are mainly traded through social networks and livestreams, at Bang Y village, Son Da commune, Ba Vi District, Ha Noi.

On March 29, Market Management Team 16, Ha Noi Market Management Department, discovered a warehouse containing more than 3,000 fake footwear products of brands including Christian Dior, Chanel, Gucci, Burberry, Adidas, and Hermes in Long Bien District.

## 7. Farming, forestry, seafood export value up almost 20% in Q1

According to the Ministry of Agriculture and Rural Development (MARD), in March alone, exports reached \$4.12 billion, up 20 per cent from the same month in 2020 and 57.4 per cent against the previous month.

In the first quarter, the export revenue of the main agricultural goods reached \$4.59 billion and key forestry products \$3.94 billion, while fishery exports were estimated at \$1.69 billion.

Meanwhile, imports of agricultural, forestry and fishery products in the first quarter hit \$7.74 billion, up 44.7 per cent.

However, the agriculture sector saw a year-on-year reduction of 18.2 per cent in trade surplus to \$2.87 billion in the first three months of this year.

Several exports with revenue during January-March that were higher than in the same period last year included rubber, tea, fruit and vegetables, cassava, shrimps and timber, according to the ministry.

Revenue surged by 116 per cent to \$721 million for rubber, 41.5 per cent to \$3.7 billion for timber and wooden products, and 49.2 per cent to \$199 million for rattan, bamboo and sedge products.

There were some products that saw a decrease in export value, such as coffee (down 11.3 per cent to \$771 million), rice (17.4 per cent to \$606 million), cashew (5.8 per cent to \$634 million) and pangasius (2.6 per cent to \$373 million).

In terms of export markets, Asia accounted for 54.4 per cent of total exports, followed by the Americas at 32.2 per cent and Europe at 11.8 per cent.

Exports to Viet Nam's four main markets, namely the US, China, Japan and the Republic of Korea, recorded growth rates of 45.8 per cent, 39.5 per cent, 3.4 per cent and 9.5 per cent, respectively.

The ministry said to increase the exports, it will promote international trade promotion activities. At the same time, it will help export firms implement market regulations and overcome technical barriers in agricultural trade in key export markets.

It will also update notices and warnings from trading partners and the World Trade Organization (WTO) member countries.

For the domestic market, the ministry will collect information about prices, production and supply of agricultural products in localities nationwide, especially localities directly affected by the COVID-19 pandemic.



## Corporate News

### 8. VHM: Vinhomes withdraws from series of large-scale projects

↑ 0.99%

Accordingly, Vinhomes has decided to stop surveying and studying the infrastructure project of a new urban project in the North Cam River area.

In December 2019, Haiphong provided in-principle approval for Vinhomes to study the development of the infrastructure component of the new urban project in Thuy Nguyen district.

The prime minister approved the investment planning of the technical infrastructure project of the urban area in June 2016. The project would be complemented by Hoang Van Thu Bridge and the transport and technical infrastructure system covering numerous communes in Thuy Nguyen, Hong Bang, and Ngo Quyen districts.

The infrastructure project has a total investment capital of VND4.7 trillion (\$204.35 million).

Previously, in December 2020, Quang Ngai People's Committee issued an announcement withdrawing its permission for investors to research, survey, and prepare investment proposals for 296 projects in the area, one of which is the Binh Chau tourism and resort complex of Vingroup.

Besides, in August 2020, Quang Ninh People's Committee also withdrew the plot allocated to a complex of golf course, tourism, and amusement facilities and five-star hotels and resort at Khe Che Lake, An Sinh commune. The decision was also based on the proposal of the investor, Vingroup.

In addition, in July 2020, Vingroup proposed Long An People's Committee stopped studies to build the planning of a new urban project in the province.

### 9. VCB: Vietcombank posts record credit growth in Q1

↑ 4.29%

The Joint Stock Commercial Bank for Foreign Trade of Vietnam (Vietcombank) posted credit growth of nearly 3.7 percent in the opening quarter of 2021, a record high for many years, Chairman of the Board of Directors Nghiem Xuan Thanh has said.

The State Bank of Vietnam has assigned Vietcombank a credit growth target of 10.5 percent for the year as a whole.

Thanh said the expectations of businesses and economic expansion contributed to the better operations of the banking sector, as it posted credit growth of over 2 percent in the first three months.

The figure usually inches up in the opening months of the year and increases afterwards, especially in

the fourth quarter, he said, projecting that after the good increase seen in the first quarter, credit growth will likely surpass the 10 percent mark this year.

Vietcombank's bad debt ratio stood at 0.7 percent as of the end of Q1 - the lowest in the banking sector but up compared to the ratio of 0.65 percent at the end of 2020.

The State-owned bank earned a profit of about 7 trillion VND (303.59 million USD) in Q1, equal to 28 percent of its annual plan and a year-on-year surge of roughly 34 percent, while provisions for bad debts remained at 380 percent.

It posted a consolidated profit of nearly 23.07 trillion VND last year, and credit growth of 13.95 percent - the highest among Vietnamese banks.

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