VIETNAM DAILY NEWS

May 21st, 2021

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Market Analysis

1. Shares gain on financial stocks and heavy-weights

Vietnamese stock markets ended Thursday on a positive note, largely led by gains in financial shares and heavy-weight stocks.

The market benchmark VN-Index on the Ho Chi Minh Stock Exchange (HoSE) gained 1.25 per cent to close Thursday at 1,278.22 points.

It had risen 0.78 per cent, or 9.81 points, to finish Wednesday at 1,262.49 points.

The market breadth Wednesday was negative as 235 stocks declined while 183 rose and 46 ended flat.

The market's liquidity was high with over 745.2 million shares traded on the southern market, worth VND22.7 trillion (US$984.8 million).

The VN-Index struggled mainly around the reference level in the first two hours but then gradually increased and closed above 1,260 points, said BIDV Securities Co.

Foreign investors were net sellers on both HSX and HNX. In addition, market breadth moved to equilibrium with liquidity not much different from the previous session.

VNIndex is expected to return to challenge the 1,270-1,280 resistance area in the coming sessions.

Foreign investors net sold VND240.9 billion on HOSE, include Vinamilk (VNM) with VND97.3 billion, VPBank (VPB) with VND87.5 billion and Novaland (NVL) with VND60 billion. They were net sellers on the HNX with a value of VND13.59 billion.

The 30 biggest stocks tracker, VN30-Index, gained 1.66 per cent to reach 1,424.92 points on Thursday. Of the VN30 basket, 23 stocks increased while six decreased.

A series of blue-chips soared during the trading session, pushing up the gains of the VN-Index and VN-30 Index, such as FPT Corporation (FPT), Mobile World Group (MWG), Masan Group (MSN), Vingroup (VIC), Vinhomes (VHM) and Phu Nhuan Jewellery (PNJ).

Financial stocks also performed well with gainers including Vietcombank (VCB), Military Bank (MBB), HDBank (HDB), Asia Commercial Bank (ACB), Bank for Investment and Development of Vietnam (BID), Vietinbank (CTG), Sacombank (STB) and Techcombank (TCB).

On a sector basis, gainers included real estate, securities, IT, healthcare, banking, rubber production, plastic-chemical production, food and beverage, construction materials, wholesale, retail, construction and logistics.

Decliners included agriculture, seafood processing, insurance and energy.

Meanwhile, on the Ha Noi Stock Exchange (HNX), the HNX-Index lost 0.05 per cent to close Thursday at 295.10 points.

The northern market index had climbed 0.21 per cent to close Wednesday at 295.25 points.

During the session, nearly 129 million shares were traded on HNX, worth VND2.6 trillion.

Macro & Policies

2. COVID-19 causes alarming withdrawal rate from local market

Data from the General Statistics Office (GSO) show that as many as 40,323 businesses stopped operations in the first quarter, up 15.5% compared to the same period last year. In contrast, the number of newly established firms reached 29,300, down 1.4%.

Economists believe that the figure represents cause for concern as this is the first time in a decade that the number of businesses withdrawing from the market has outstripped the number of newly-established ones.

A report released by the Vietnam Chamber of Commerce and Industry (VCCI) in mid-March indicates the pandemic has exerted a range of adverse impacts on business production. Accordingly, 87.2% of affected businesses said the pandemic has had an impact on their access to customers, cash flow and workforce. Some of them were forced to lay off workers due to disruption occurring in supply chains.

The negative impact of the pandemic has also cast a shadow on the employment market locally. Approximately 1.1 million people of working age were unemployed during the first quarter of the year, marking an increase of 12,100 people compared to the same period last year, according to GSO statistics.

Although the Government has moved to take drastic solutions aimed at supporting businesses, plenty of firms have failed to bounce back, says the VCCI in its report. Tourism, retailing, transportation, vehicle manufacturing, and beverage production are among the hardest hit industries. Notably, newly established businesses are most vulnerable to market volatility.

Nguyen Van Ket, director of SKD Vietnam Engineering Co., Ltd, reveals that the pandemic has caused a decline in the number of export orders, while the postponement of the import of raw materials for production, coupled with escalating prices, has led to many businesses encountering numerous difficulties in terms of sustaining their operations.

Economists have therefore underscored the importance of removing hurdles faced by enterprises and carrying out economic institutional reform.

The Government has moved to extend the deadlines for the payment of value added tax, corporate income tax, personal income tax, and land rent as part of efforts to support businesses.

Economist Tran Dinh Thien suggests that the government maintain a stable policy environment and avoid increasing taxes and fees during this challenging period, alongside offering financial support packages and tax payment extensions for local firms in need.

3. Fourth Covid-19 wave washes away hopes of domestic travel rebound in Vietnam

This year, the tourism industry was optimistic of hitting its target of 80 million domestic tourist arrivals, nearly the same as in 2019, before the pandemic. Compared with data from 2020, this translates to a year-on-year growth of over 42%.

The Reunification Day and International Labor Day holidays traditionally mark the start of the peak season in Vietnam. This year was no exception.

Since mid-April, hotels and resorts in Danang, Phu Quoc, Phan Thiet and Ho Tram were seeing a rush in long-weekend holiday bookings. Hotel occupancy of over 75% was expected, with some resorts anticipating an average occupancy of 80% and others, 100%.

The Civil Aviation Authority of Vietnam reported a surge in demand for the four-day holiday of almost 1.5 million bookings. Demand was up by 30% compared to the 2019 level.

On April 29, 2021, the Tan Son Nhat International Airport in HCMC set a record for the holiday weekend by processing over 108,000 passengers, a record made even more significant as borders remained closed, proving the growing demand for domestic travel in Vietnam.

However, the fourth wave of Covid-19 that started from late April immediately affected the hospitality industry, with any destinations requiring air travel, such as Danang and Nha Trang, being the most affected.

The Tourism Authority of Danang recorded 74,000 visitors during the national holidays, down 42% against pre-holiday bookings.

However, drive-by destinations such as Ho Tram, Vung Tau, and Dalat, perceived safer as they require private transportation, saw a rush of last-minute bookings.

"After a few months of demand steadily increasing for accommodation and conferences, the latest outbreak has hit the hospitality industry hard. Some projects have been forced into partial shutdown. City hotels and beach resorts have endured yet another wave of last-minute cancellations," said Mauro Gasparotti, director of Savills Hotels APAC.

Hotels in HCMC and Hanoi have seen several MICE (meetings, incentives, conferences and exhibitions) postponements or cancellations, under social distancing concerns and Covid-19 guidelines of avoiding crowded places. The emerging situation has cut off what would have been very welcome additional MICE income to compensate for the shortage in room revenues.

Resorts have also been hit hard with some properties seeing cancellations of 50% and others even as high as 80%, mainly from groups and corporate clientele.

"To limit the risk of contact, some resorts have decided to temporarily close down until the situation stabilizes. Amid all this uncertainty, several hotels announced that they would only accept guests who possess a negative Covid-19 test result, to avoid lockdowns or quarantining of staff," Gasparotti said.

The impact of surging community transmissions on tourism activities varies from location to location. Though the most affected destinations are those where outbreaks first started, the impact has been felt everywhere due to people postponing unnecessary travel, seeking to avoid airports and facing other health concerns.

Drive-by destinations such as Ho Tram or Dalat have also been impacted, but to a lesser extent.

"The long holiday was a fantastic example of how the market was recovering; most resorts were fully booked, with many commanding higher prices than during the same period in 2019. The latest outbreak is really a deeply unwelcome scenario for the industry, especially so close to the approaching summer season," Gasparotti added.

4. Proposal to remove airfare caps sparks controversy

At present, airfare caps are VND1.6 million per ticket for routes under 500 kilometers and VND3.75 million for routes of 1,280 kilometers or above.

CAAV said the airfare caps limit airlines from improving flight service quality, affecting their competency, an important factor in sustainable development.

According to Dang Anh Tuan, marketing director of national flag carrier Vietnam Airlines, besides Indonesia and Thailand, Vietnam is among a few countries that have set domestic airfare caps. The current airfare caps have been in force since 2006.

"For any types of service, ceiling prices are unnecessary if there is more than one service provider. Vietnam currently has six airlines, so airfare caps are unessential and unsuitable," he said.

Vu Duc Bien, general director of Vietravel Airlines, suggested CAAV work closely with the Ministry of Transport on the proposal to remove airfare caps. Recommendations from airlines, consumers and managing authorities must be carefully taken into consideration to ensure all parties benefit.

Dr. Dinh The Hien said aviation is a conditional industry. Therefore, airfare caps are essential for the

Government to regulate airfares and ensure benefits for consumers.

Assoc. Prof., Dr. Ngo Tri Long, former chairman of the Market Price Research Institute under the Ministry of Finance, said Vietnam has six local airlines, but Vietnam Airlines, Vietjet Air and Bamboo Airways account for 80-90% of the market. For the Hanoi-HCMC route, which is the country's busiest air route, Vietnam Airlines and Vietjet account for more than half of the market. Therefore, CAAV's proposal to remove the caps on airfares for routes with three or more airlines operating is unsuitable under the current situation.

"I think CAAV's proposal violates the Price Management Law and Competition Law. Airfare caps will not prevent airlines from upgrading their services. For an industry that is dominated by a few enterprises such as aviation, the Government's most effective management method is the price management tool, alongside accounting and auditing tools," Long said.

Many customers worry that airfares could become costly during peak travel seasons such as the summer and holidays if airfare caps are lifted. They were also concerned about collusion among airlines to raise airfares.

Vietnam Airlines earlier proposed abolishing the caps on airfares for domestic flights in late 2019. However, the proposal was rejected by CAAV at that time.

Regarding the decision of Vietnam Airlines, Pacific Airlines, Vasco and Bamboo Airways to increase their management fees by up to VND100,000 per passenger, some air ticket agents said the increase is not suitable under the current situation. In the context of the Covid-19 pandemic, the increase will affect air travel demand and customers may turn to cheaper means of transport.

5. Shrimp exports to Australia on the rise

According to VASEP, by the first half of April 2021, the total value of shrimp exports to the Australian market reached US$47.4 million, 60% higher than the same quarter last year.

As a potential shrimp export market in the Comprehensive and Progressive Agreement for Trans-Pacific Partnership market, the export value of shrimp (especially whiteleg shrimp) in the past two years in Australia has been positive.

During the first quarter, there were over 20 businesses exporting shrimp to Australia. Shrimp products exported to Australia in the first quarter of this year were quite diverse, mainly consisting of frozen whiteleg and black tiger shrimp, fresh whiteleg shrimp, peeled and deveined; dried shrimp products have also recently been exported to Australia.

Vietnam, Thailand, China, Malaysia and Brunei are the top five shrimp suppliers to the Australian market, of which Vietnam is the largest, accounting for 65% of the total value of shrimp imports.

Last year, due to the impact of Covid-19, imports in Australia struggled as nationwide shrimp consumption plummeted as a result of social distancing.

However, as of the end of 2020 and the beginning of this year, many importers, suppliers and retail distribution channels have adapted to the pandemic and started doing business again.

Many sales methods switched to door-to-door delivery with priority for card payments as well as pre-ordering wholesale products purchased from a system of stores, restaurant chains and local seafood suppliers.

This led to a high growth rate from seafood consumption during the first few months of 2021, placing Australia fifth among the single markets importing Vietnamese seafood products in the first two months of this year.

Australia is currently only behind the United States, Japan, China and Korea in the top 10 markets for Vietnamese seafood. In particular, shrimp accounts for 66% of the total seafood export turnover to this market.

6. Keeping inflation in the sweet spot

According to the General Statistics Office (GSO), the Vietnamese government has so far succeeded in reining in inflation and this effort is expected to continue until the year's end as domestic consumption remains feeble due to negative impacts of the global health crisis.

In the first four months of this year, the consumer price index (CPI) increased 0.89 per cent on-year, also the lowest rise in the first four months since 2016. Specifically, the first-four-month rate was 1.41 per cent in 2016, 4.8 per cent in 2017, 2.8 per cent in 2018, 2.71 per cent in 2019, and 4.9 per cent in 2020.

In the first four months of this year, though there has been a rise in prices of some items used to calculated CPI in Vietnam, such as foodstuffs (0.2 per cent on-year), catering services (2.07 per cent), gas (14.69 per cent), and petrol (2.49 per cent), such a price hike was small as compared to the same period last year, when COVID-19 began to attack the economy.

The period saw total retail and consumption service revenues hit nearly VND1.7 quadrillion ($73.9 billion), up 10 per cent over the same period last year when the rate declined 2.8 per cent on-year.

"Despite a rise in local consumption, it remains weak and has yet to fully recover, and this has failed to significantly increase the first-four-month CPI," said a GSO expert. "There have also been some major causes behind such an on-year reduction."

Since last year the government has been deploying support solutions for individuals and enterprises hit by COVID-19. For example, state-owned Electricity of Vietnam (EVN) has reduced power prices for its customers. The average electricity price in the first four months of 2021 fell 5.88 per cent on-year, leading to a 0.19 per cent reduction in CPI.

However, despite the move, EVN has reported that all of its activities increased on-year in the first quarter of 2021.The group's total gross industrial output is estimated to be VND52.83 trillion ($2.3 billion), up 3.18 per cent on-year.

Commercial electricity totalled 50.79 million kilowatt hours, up 3.18 per cent. In which, electricity for agro-forestry-fishery accounts for 3.97 per cent of total electricity consumed, while the rate is 56.01 per cent for construction and industrial activities and 31.46 per cent for households – all up against the same period last year. Notably, EVN's total revenue from power sales is estimated to be over VND94 trillion (over $4 billion), up 4.11 per cent on-year.

Another cause behind a reduction in first-four-month CPI in Vietnam is that state-owned Vietnam Railways Corporation, airlines, and travel firms have launched price discounts to stimulate travelling and tourism activities. For example, the ticket price for trains since early this year has decreased on average 7.4 per cent on-year, while the air ticket price has also dropped 17.4 per cent on-year, and full-package tours' average price has also followed suit, at 3.32 per cent on-year.

The Asian Development Bank (ADB) has praised Vietnam's efforts to control inflation, saying that in the first quarter of 2021 it slid to its lowest level since 2016 due to lower transport costs and subdued demand. "But rising international oil prices on the back of global economic recovery and increased domestic consumption are expected to edge inflation up to 3.8 per cent this year and 4 per cent in 2022," read an ADB report on Vietnam's economic outlook.

The International Monetary Fund (IMF) also forecast that the inflation for 2021 in Vietnam may be only 2.4 per cent.

"Inflation continued to be well contained at 3.23 per cent, below the authorities' target of 4 per cent in 2020," said an IMF report also on Vietnam's economic prospects. "Authorities have set the targets for GDP growth of 6.5 per cent and inflation at around 4 per cent in 2021 in line with the goals set in the national Socioeconomic Development Strategy for 2021-2030."

7. US recovery ripple effect for Vietnam

The rapid pace of vaccinations and massive scale of fiscal stimulus spending will push the global economy, including the American economy, to recover strongly, the Organisation for Economic Co-operation and Development (OECD) said in its Economic Outlook Interim Report on strengthening the recovery released a few weeks ago.

Global economic prospects have improved, with global GDP growth now projected to strengthen to 5.5 per cent in 2021 and 4 per cent in 2022, instead of -3.4 per cent last year due to COVID-19, the OECD said.

Significant fiscal and monetary support continues to underpin activity. Additional discretionary fiscal measures announced in several countries during the past months will add to the overall support this year, including in the United States, Japan, Germany, Canada, and India. In Europe, spending of over €2 trillion ($2.45 trillion) from the Next Generation recovery fund is due to begin later this year.

The extent of fiscal support in the US this year is set to be considerably larger than in most other economies. The Consolidated Appropriations Act enacted last December contained new temporary measures worth $900 billion (4 per cent of GDP), largely concentrated on emergency assistance for households and the unemployed.

On March 12, US President Joe Biden signed the $1.9 trillion American Rescue Plan Act into law, sending much-needed aid to millions of Americans still struggling from the COVID-19 pandemic.

The plan provides $1,400 direct payments to individuals making up to $75,000 annually, $350 billion in aid to state and local governments and $14 billion for vaccine distribution. The bill also provides $130 billion to elementary, middle, and high schools to assist with safe reopening.

The bill's economic-relief provisions are overwhelmingly geared toward low-income and middle-class Americans, who will benefit from the direct payments, the bill's expansion of low-income tax credits, expanded health-insurance access, extension of expanded unemployment benefits, food stamps, and rental assistance programmes. The bill contains little direct aid to high income-earners, who largely retained their jobs during the COVID-19 economic shock and bolstered their savings.

Benefits for Vietnam

Vietnam is an economy largely depending on exports and imports. Figures from Vietnam's General Statistics Office showed that in 2020, while GDP was valued at $355 billion, total export-import turnover was $544 billion, including $281.5 billion from exports and $262.4 billion from imports. In the first four months of 2021, the economy's total export-import turnover is estimated to hit $206.51 billion, including $103.9 billion from exports – up 28.3 per cent on-year, and $102.61 billion from imports - up 30.8 per cent on-year.

In this period, the US was Vietnam's largest export market, with a total turnover of $30.3 billion, up 50.1 per cent as compared to that in the same period last year. Meanwhile, China was Vietnam's second largest export market ($16.8 billion, up 32.4 per cent on-year), followed by the EU ($12.6 billion, up 18.1 per cent), Southeast Asia ($8.8 billion, up 13.3 per cent), South Korea ($6.9 billion, up 12.1 per cent), and Japan ($6.5 per cent, up 1.5 per cent).

"While the global economy is still being heavily affected by COVID-19, a lack of empty containers, a rise in shipping charges, and other transportation costs, Vietnam's export-import activities since early this year have been flourishing, with good growth in key exports such as electronics, garments, footwear, machinery and equipment, and farm produce in many markets, especially in major ones like the US, China, the EU, South Korea, Japan, and ASEAN," said Deputy Minister of Industry and Trade Cao Quoc Hung. "It is forecast that Vietnam's export-import activities will continue thriving in the coming time when free trade agreements are implemented further. Especially, besides support packages launched by nations to support their people and enterprises, deals such as the Comprehensive and Progressive Agreement for Trans-Pacific Partnership and those with the EU and the United Kingdom will facilitate Vietnamese products to enter partner markets with preferential tariffs," Hung said.

Furthering ties with the US

In the US' National Security Strategic Guidance issued in March, US President Biden stated, "We will deepen our partnership with India and work alongside New Zealand, as well as Singapore, Vietnam, and other ASEAN member states, to advance shared objectives."

Carl Thayer, emeritus professor at the University of New South Wales, said that there will be considerable continuity in the Biden administration's policy from that of the Trump administration.

"President Biden's National Security Strategic Guidance sets out to engage Vietnam (along with India). The Biden administration will set a priority on enhancing its comprehensive partnership with Vietnam in all nine areas of cooperation spelled out in the 2013 original joint statement during the Obama administration when Biden was vice president."

The partnership covers furthering bilateral economic, commercial, and investment ties as one of the key pillars of bilateral cooperation.

Early this year, Vietnam and the US agreed the bilateral ties have advanced across fields over the past 25 years, pledging to cooperate in deepening the ties "in a more comprehensive manner, with a focus on economy-trade-investment, overcoming war consequences, enhancing maritime capacity, fighting COVID-19 and adapting to climate change. The US reaffirmed it continues "attaching importance with Vietnam".

It is expected that in 2021, there will be more connections and talks between both nations' high-level leaders, investors, and enterprises.

Adam Sitkoff, executive director of the American Chamber of Commerce in Hanoi told VIR that he expected the US-Vietnam trade and investment cooperation will further flourish in the coming time.

"Vietnam and the United States have developed a healthy commercial relationship that has created jobs, tax revenues, and opportunity for citizens of both countries," Sitkoff said. "The US is Vietnam's largest export market. Vietnam also receives billions of US dollars of foreign investment from US companies each year - much of it to build integrated supply chains that benefit American consumers. At the same time, Vietnam has become one of America's fastest growing export markets."

In 2020, the total export-import turnover between Vietnam and the US was $90.1 billion, up from $76 billion in 2019. In the first four months of 2021, the figure was $35.36 billion.

Responding to a VIR question on whether the US' $1.9 trillion fiscal package aimed to spur on domestic consumption, Sitkoff said that it has also partly caused a rise in Vietnamese exports to the US. "Anytime American consumers are feeling confident about their finances, it is a positive for exports to the US," he said.

According to Sitkoff, recent growth in Vietnamese exports to the US is partially due to the strong economic recovery and consumer spending in the US. However, most of the export growth to the US appears to be driven primarily by the relocation and reassessment of supply chain sourcing from China to Vietnam.

"COVID-19 is likely to continue causing economic disruption. However, I believe the trade and investment relationship between Vietnam and the US will keep growing stronger in the days ahead," Sitkoff said.

Statistics from Vietnam's Ministry of Planning and Investment showed that as of April 20, US investors registered over $9.57 billion in Vietnam for nearly 1,100 valid projects, making the US the 11th-largest foreign investor in the Southeast Asian nation. In the first four months of 2021, the US ranked sixth in investment in Vietnam, with total newly-registered capital of $181 million.

Currently many US firms are exploring opportunities in Vietnam, such as Morgan Stanley, ACORN International, General Dynamics, Nue Capital LLC, BlackRock's Asian Credit, Lockheed Martin International, Smart City Works, Google, Columbia University, and USTelecom.

Intel is now asking Ho Chi Minh City People's Committee for special incentives for its further investment. In January, Intel Corporation announced it has invested a further $475 million in Intel Products Vietnam.

“This new investment is in addition to Intel's $1 billion investment to build a state-of-the-art chip assembly and test manufacturing facility in Saigon Hi-Tech Park, first announced in 2006. This takes Intel's total investment in its Vietnam facility to $1.5 billion,” Intel said in a statement.

We see largely positive implications for Vietnam arising from the incoming Biden administration. We expect the impact on trade to be positive, given the reduced risk of punitive trade tariffs (which were imposed under President Trump's currency policies) and because of the ongoing trend of the relocation of manufacturing out of China to other Asian countries, including Vietnam, over the coming years.

Vietnam's trade would also receive a boost should Joe Biden decide to rejoin the Comprehensive and Progressive Agreement for Trans-Pacific Partnership.

Biden's impact on Vietnam's trade will most likely be positive. Global manufacturers have been gradually diversifying their supply chains away from China and across Asia over the past decade in an attempt to contain production cost increases from rising labour costs in China. This trend was accelerated from 2018 after the Trump administration levied sweeping tariffs on Chinese exports, which started the China-US trade war, prompting companies to seek alternative manufacturing locations to circumvent the US' tariffs.

In particular, Vietnam continues to be a major beneficiary of this manufacturing shift owing to favourable labour demographics, relatively low labour costs, foreign direct investment-friendly policies, and most recently high market access to the EU following the ratification of the EU-Vietnam Free Trade Agreement.

Biden is likely to take a more pragmatic view towards trade developments with its economic partners. In particular, we believe that the Biden administration will come to understand that Vietnam's trade surplus with the US will grow as more manufacturers relocate to the Southeast Asian nation due to the ongoing US-China trade war.

Furthermore, while there is bipartisan support in the US for a hardline stance on trade with China, we believe that a desire by the Biden administration to rebuild its relations with its allies would see an easing of the trade tensions with allied countries generated by the Trump administration. Therefore, we believe that a Biden administration will entail lower risk of further US tariffs on Vietnamese exports.

Source: Fitch Solutions Group Ltd.

Corporate News

8. PLX: Japan's ENEOS increases stake in Petrolimex

↑ 0.37%

The deal will be completed between May 24 and June 22 via order matching, and take ENEOS's holding to 63 million shares.

It is estimated to cost VND1.35 trillion ($58.46 million) based on the Petrolimex share price at the time of publishing.

Two months ago, ENEOS Corporation bought all 25 million treasury shares held then by Petrolimex at a price of VND57,057 ($2.47).

The Japanese company and its Vietnamese subsidiary together own a 10.94 percent stake in the oil company, second behind the state's 75.87 percent.

Petrolimex reported post-tax profits of VND740 billion in the first quarter of 2021 as against a loss of over VND1.8 trillion in the same period last year.

9. KDH: VinaCapital fund plans to divest from KDH

↑ 1.96%

Once the deal is completed, Vietnam Ventures Limited will hold 20.5 million shares of KDH, equivalent to an ownership rate of 3.67 per cent and will no longer be a major shareholder of KDH.

The fund said the deal is being conducted to restructure the investment portfolio. This move comes amid KDH shares continuously hitting higher levels and are currently at the highest price territory in history.

Since the beginning of the year, funds managed by Dragon Capital have also continuously lowered the proportion of KDH shares in their portfolios.

Earlier this year, these funds held about 84.1 million KDH shares, equivalent to an ownership rate of 15.05 per cent, but now they only hold 55.21 million KDH shares, equivalent to the ownership rate of 9.88 per cent.

Under net selling pressure from foreign investors, KDH stocks were excluded from VN Diamond basket because they don't meet the criteria for foreign ownership limit ratio (FOL) as the indicator was lower than required (90 per cent).

However, KDH stocks are still trading at historic highs on the stock market. Since April, the shares have been on a bullish trend with a gain of up to 20 per cent. The average trading liquidity of KDH shares in April was over 5.3 million units per day.

KDH shares, listed on the Ho Chi Minh Stock Exchange (HoSE), closed Tuesday at VND36,000 per share.

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