



# VIETNAM DAILY NEWS



JAPAN SECURITIES INC.

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## Market Analysis

### 1. Shares set new high, cash flow boosts indices

Vietnamese shares extended gains on Friday, setting a new historical high thanks to a strong investment cash flow and foreign investors' net buying.

On the Ho Chi Minh Stock Exchange (HoSE), the VN-Index gained 1.31 per cent, to close Friday at 1,377.77 points, the highest milestone ever so far. Market breadth was positive with 249 stocks increasing while 138 declined.

The southern market index had gained 0.25 per cent to close Thursday at 1,359.92 points.

Market liquidity was higher than Thursday as domestic investors poured more than VND23.7 trillion (US\$1 billion) into the southern market, equivalent to a trading volume of nearly 809 million shares.

The VN30-Index rose 1.33 per cent to 1,481.30 points. In the VN30 basket, 22 stocks rose, seven slid and one was unchanged.

Hoang Huy Investment Financial Services JSC (TCH) gained strongly by 6 per cent. Vietcombank (VCB) rose more than 4 per cent, Masan Group (MSN) and Vinhomes (VHM) both gained 3 per cent, Phu Nhuan Jewelry (PNJ) advanced over 2 per cent.

In contrast, insurer Bao Viet Holdings (BVH), PetroVietnam Gas JSC (GAS) and Vincom Retail (VRE) declined more than 1 per cent.

PVPower (POW), the Refrigeration Electrical Engineering Corporation (REE), Vietjet (VJC) and Vietnam National Petroleum Group (PLX) were the remaining losers. Meanwhile, SSI closed at the

reference price.

After quiet trading in previous sessions, many banking stocks gained positively. Besides Vietcombank (VCB), Nam A Bank (NAB) also rose more than 4 per cent, Eximbank (EIB) and An Binh Bank (ABB) both rose 2 per cent, HDBank (HDB), Techcombank (TCB), Military Bank (MBB), Maritime Bank (MSB), Southeast Asia Commercial Joint Stock Bank (SSB), Saigonbank (SGB), Vietinbbank (CTG) and Saigon-Hanoi Bank (SHB) were the ones that gained over 1 per cent.

"VN-Index gradually increased from the beginning of the morning session to the end of the afternoon session and has now set a new historical high. Investment cash flow continued to increase," said BIDV Securities CO.

"Meanwhile, foreign investors were net buyers on the HoSE and net sellers on the HNX. Besides, market breadth remained positive with liquidity not much different from the previous session.

"According to our assessment, VN-Index is likely to maintain its upward momentum and move in the 1,350-1,390 area next week," it said.

On the Ha Noi Stock Exchange (HNX), the HNX-Index gained 0.52 per cent to close Friday at 318.73 points.

It gained 1.09 per cent to close Thursday at 317.07 points.

During the trading session, nearly 139.6 million shares were traded on the northern bourse, worth more than VND3 trillion.

## Macro & Policies

### 2. Vietnam to benefit climate resilience support from FAO-led projects

HVietnam has been added to the list of eight countries that would benefit from projects led by the Food and Agriculture Organization of the UN (FAO) with total funding of US\$46.6 million to support climate resilience, biodiversity, combat land degradation, and unsustainable fishing.

The move came following the approval decision from the Global Environment Facility (GEF) for five projects initiated by the FAO during the 60th GEF Council Meeting and the 30th Least Developed Countries Fund Council Meeting.

According to the FAO, these projects will address critical environmental challenges, including such as land degradation, biodiversity loss, unsustainable fishing, and climate change that threaten the food security and livelihoods of hundreds of thousands of people in Asia and Africa.

They will be implemented in partnership with and co-financed by the governments of Cambodia, Cameroon, Eritrea, Lesotho, Malaysia, Senegal, Thailand, and Vietnam.

“These projects are especially welcomed after the launch of the UN Decade on Ecosystem Restoration,” said FAO Director-General QU Dongyu. “It is vital that we take action now to restore the natural systems on land and water that we rely on to achieve better production, better nutrition, a better environment, and a better life.”

The projects approved by the GEF will assist countries and communities to adopt more sustainable and climate-resilient practices, foster regional cooperation, and enact stronger policies to conserve biodiversity and deter illegal, unreported and unregulated (IUU) fishing.

They will directly benefit 441,500 people and restore over 27,000 hectares of degraded landscapes. The projects will also create 30,000

hectares of new protected areas on land and sea, and improve the management of over 765,000 hectares of landscapes and 4 million hectares of marine habitats.

Their action is designed to mitigate 6.8 million tons of greenhouse gas emissions and move 547,393 tons of over-exploited fish stocks to more sustainable levels.

Among the FAO-led projects, a regional project in the Gulf of Thailand will promote sustainable fisheries management in Cambodia, Malaysia, Thailand, and Vietnam.

By adopting an ecosystem approach to fisheries and strengthening fisheries governance, the project will help conserve marine biodiversity and reduce the excessive exploitation of overfished fish stocks, while supporting the sustainability of fisherfolk livelihoods.

The four projects approved in Africa will address the threats of climate change and land degradation to enhance the climate resilience of communities, safeguard natural resources, and strengthen agricultural value chains to improve rural livelihoods.

Since December 2018, FAO has mobilized more than US\$550 million in GEF grant funding for member countries, including the latest projects, making FAO one of the top four GEF agencies globally.

A study from the World Bank has named Vietnam among the five countries likely to be most affected by climate change.

Over the past four years, Vietnam has been actively working on measures to combat IUU to ensure a responsible fishery sector after the European Commission penalizing Vietnam with a yellow card in October 2017 for rampant IUU fishing.

### 3. HCMC lifts lockdown at SP-ITC container port

The port was temporarily locked down on June 13 due to a probable Covid-19 case. According to Nguyen Thai Quang, general director of International Transport and Trading Joint Stock Company - operator of the SP-ITC International Container Terminal, the suspected case is an employee of a quality inspection company that worked at the port early this month.

All areas at the port have been disinfected. The port has also adjusted the way it operates to ensure the safety of its employees and the crew of vessels coming to the port.

Shipping lines and businesses are encouraged to make their transactions with the port via online channels and the port's website, [eport.sp-itc.com.vn](http://eport.sp-itc.com.vn).

People coming to the port must comply with Covid-19 infection prevention and control measures including the wearing of face masks, completing health declarations, using hand sanitizers and keeping a safe physical distance from each other.

The SP-ITC International Container Terminal is the first international private container port in HCMC. The port is located on the Dong Nai River and is capable of receiving ships of up to 45,000 DWT.

The SP-ITC International Container Terminal, which came into operation in September 2016, has become one of the most important seaports not just in HCMC but the entire country.

#### **4. Vietnam targets 41 billion USD in agriculture export in 2021**

The agriculture sector is set to earn 41 billion USD from export in 2021, according to Vu Ba Phu, head of the Vietnam Trade Promotion Agency under the Ministry of Industry and Trade (MoIT).

To this goal, developing processing is a key solution to raising product value, thus increasing export earnings, which is also in line with the Government's goal of entering the top 15 countries with advanced agriculture, and top 10 with modern farm produce processing industry.

In fact, efforts to modernize and further promote technology application in post-harvest processing have resulted in an increase of between 5-7 percent in the agriculture sector's annual added value, pushing the average export turnover up by 8-10 percent per year.

Nguyen Thanh Tuan, deputy director of the Department of Industry and Trade of the central province of Phu Yen said post-harvest processing is considered a key step in increasing the value of agricultural products and reducing losses, thus helping businesses to seek appropriate markets for their products.

The model of production and consumption chain in this field has also contributed to improving the value of agricultural products.

According to Nguyen Quoc Toan, director of the agricultural products processing and development department under the Ministry of Agriculture and Rural Development (MARD), localities nationwide have attracted over 70 investment projects worth over 59 trillion VND (over 2.54 billion USD) in processing agro-aquaculture-forestry products since 2017.

The country earned 22.58 billion USD from exporting agro-forestry-aquatic products in the first five months of 2021, up 30.1 percent year-on-year, the MARD reported.

Notably, the export value of key farm produce reached an estimated 7.78 billion USD in Jan-May, 13 percent higher than that of the same period last year.

Meanwhile, the export of forestry, livestock and aquatic products climbed to 7.06 billion USD, 166 million USD, and 3.24 billion USD, up 61.8 percent, 43.9 percent, 12 percent respectively.

Joining free trade agreements such as the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), the EU-Vietnam Free Trade Agreement (EVFTA), the UK-Vietnam Free Trade Agreement (UKVFTA), and the Regional Comprehensive Economic Partnership (RCEP), has helped Vietnam's farm produce make inroads into

large markets, thus pushing its agricultural exports in the reviewed periods, especially aquatic products, vegetables and fruits, rice and tea.

The MARD and the MoIT have organised online conferences with localities to seek solutions to help localities in selling their farm produce amidst

complicated developments of the COVID-19 outbreak.

Attention has been also paid to introducing products on prestigious e-commerce platforms such as Alibaba, Amazon, Sendo, Voso and Shopee.

## 5. Industrial, trade growth trend sustained despite COVID-19: official

Industrial and trading activities of Vietnam have sustained their growth trend although the COVID-19 resurgence has hit some provinces and cities with large industrial parks, Deputy Minister of Industry and Trade Do Thang Hai said on June 17.

Speaking at the ministry's regular press meeting for the second quarter, he added exports have maintained high year-on-year growth, which is relatively sustainable thanks to the even growth in shipments of all the important commodities such as electronics, textile-garment, footwear, machinery, and farm produce, and to major markets like the US, China, the EU, the Republic of Korea, Japan, and ASEAN.

Regarding problems in industrial and trading activities, Hai said COVID-19 outbreaks in large industrial parks have had certain impacts on industrial production growth as well as supply chains.

Besides, the import of production materials accounts for a “very big” proportion, about 90 percent, thus pushing up the import value and affecting the trade balance.

Lockdowns or social distancing measures driven by coronavirus outbreaks in some localities have also eroded consumption demand, especially for non-

essential goods, which has influenced retail sales, according to the official.

So far, he said, industries and trade have basically developed as planned, with total retail sales achieving about 38 percent of this year's target and exports over 44 percent.

The increase in index of industrial production is currently higher than expected, rising by 9.9 percent in the first five months compared to the targeted 8 percent. The figure is forecast to maintain at some 9 percent in the first half of 2021, compared to the 8-percent target for the whole year.

Exports are set to increase by about 21.7 percent while total retail sales and service revenue 7.1 percent during January - June, compared to the year's respective targets of 4 - 5 percent and 8 percent.

The industry and trade sector will keep making efforts to achieve its growth targets as well as those of the country, the Deputy Minister said.

Particularly, the ministry will continue working to promote overseas shipments, diversify both export and import markets, optimise opportunities generated by free trade agreements, and remove barriers to enter new markets.

## 6. Vietnam's digital economy presents chances for investors, start-ups

In recent years, the Southeast Asian region has been seeing rapid and sustained efforts and investment into various digital economy initiatives by both the public and private sectors. Tech giants have been creating waves, most recently the Tokopedia-Gojek merger, and earlier, Grab pushing

for a US listing with a valuation of over US\$40 billion.

Estimates by Google, Temasek, and Bain & Co predicted that the Vietnamese sector could grow to \$52 billion by 2025, which comes up to about a



sixth of the massive \$300 billion regional digital economy pie.

Backed by a stable political climate, progressive economic policies, and sustained growth, a lucrative opportunity exists for both local players and investors alike to tap into Việt Nam's potential for economic greatness, the article said.

Opportunities include e-commerce services, digital finance, online gaming, and tech-enabled services to power Industry 4.0 progress. Like its ASEAN peers, a majority of Vietnamese residents remain underbanked, making digital financial services a highly attractive option for loans and payments.

In 2015, the Vietnamese Government announced a ten-year plan for a broad digital transformation of the country, with an ambitious plan to produce 10 start-up unicorns (valued at over \$1 billion) apiece by 2030.

Aiming to incorporate at least 10 per cent of digital adoption across all sectors and Internet

penetration of 80 per cent for all households, the plan appears to be on track.

Southeast Asia's largest unicorn, Grab, has been investing heavily in accelerators for start-ups around the region from as early as 2018. Collaborating with both private and public players, Grab has been attracting start-ups intending to scale via mentorship opportunities, access to Grab's customer bases, and even potential direct investment.

In 2020, the decacorn (start-ups valued over \$10 billion) recognised the potential of Việt Nam's digital economy and launched an accelerator for early-stage start-ups. Under their Grab Ventures Ignite accelerator programme, five winners emerged, who won over \$1 million in investment and in-kind prizes from Grab and its programme partners. They span the breadth of fields such as retail, insurance, logistics, and communications, the article said.

## 7. Squid, octopus exports to China remain on the rise

Vietnam has recorded continual growth in squid and octopus exports to China over the last three years, according to the Vietnam Association of Seafood Exporters and Producers (VASEP).

Shipments of these commodities to China last year rose by nearly 61 percent from 2019 and by 21 percent year on year in the first four months of 2021 to more than 9.7 million USD.

Thanks to the COVID-19 pandemic partly contained in China, this country has gradually eased restrictions, helping to recover demand for mollusc imports, VASEP said, noting that squid and octopus products remain one of Vietnam's key aquatic exports to the neighbouring market.

Vietnam shipped almost 3.3 billion USD worth of aquatic products abroad in the first five months of 2021, up 14 percent year on year.

Up to 60 percent, or nearly 2 billion USD, of the revenue was contributed by the 13 Mekong Delta

localities while six others in the southeastern region made up 18 percent, 602 million USD, VASEP reported.

Between January and May, overall agricultural exports to China posted impressive growth with shipments of some produce even matching or surpassing the corresponding figures for the entire 2020, according to the Plant Protection Department under the Ministry of Agriculture and Rural Development.

In particular, Vietnam shipped over 468,000 tonnes of mango to this market, equivalent to 112 percent of last year's figure; 348,000 tonnes of banana, 87 percent; 301,000 tonnes of jackfruit, 92 percent; and 1.1 million tonnes of dragon fruit, 63 percent.

Hoang Trung, Director of the Plant Protection Department, said China has long been the main importer of farm produce from Vietnam, and it will remain the largest buyer of Vietnamese agro-forestry-fishery products in the time to come.

## Corporate News

### 8. GAS: PV GAS receives first LPG batch from Saudi Aramco

↓ -1.28%

The PetroVietnam Gas Trading Company (PV GAS Trading) received a batch of 46,000 tonnes of refrigerated liquefied petroleum gas (LPG) from Saudi Aramco in early June, making it the first direct customer of the Saudi Arabian public petroleum and natural gas company in Vietnam.

The batch worth some 560 billion VND (24.06 million USD) resulted from a decade of exchanging, seeking opportunities, and building trust for cooperation between the sides. Most of the imported LPG will be used for domestic consumption, with a fraction of its earmarked for export.

Established for nearly 15 years, PV Gas Trading now supplies close to and more than 70 percent of the Vietnamese and Cambodian markets' demand for LPG, respectively. In 2020, its international sales of LPG exceeded 300,000 tonnes.

Based in Dhahran, Saudi Aramco owns the second largest crude oil reserve in the world and is also the largest LPG producer and supplier in the Middle East with about 27 million tonnes of output. Its export volume is estimated at 8 million tonnes, mostly to the Asian market.

### 9. VIB: Result of stock issuance to raise capital

↑ 0.80%

Vietnam International Commercial Joint Stock Bank announced the result of stock issuance to raise capital from the owner's equity as follows:

#### 1. Information on stock:

- Stock name: Vietnam International Commercial Joint Stock Bank
- Stock type: common share
- Par value: 10,000 dongs/share
- Number of shares issued: 1,109,387,852 shares
- Number of outstanding shares: 1,109,387,852 shares
- Number of treasury shares: 0 share
- Number of shares expected to be issued: 443,755,141 shares
- Exercise ratio: 40% (Shareholder who owns 01 share will receive 04 new shares).

- For example: at the record date, shareholder A owned 82 shares. With 40% performing ratio, the shareholder A will receive:  $82 \times 0.4 = 32.8$  shares. According to rounding policy, the shareholder A receives 32 new shares.

- Ending date: June 10, 2021

- Expected trading date: before September 30, 2021.

#### - Result of stock issuance:

- Number of distributed shares: 443,755,141 shares:

+ Number of distributed shares to shareholders: 443,753,144 shares for 8,262 shareholders;

+ Number of fractional shares: 2,505 shares

- Number of current shares on June 10, 2021: 1,553,142,993 shares; Of which:

+ Number of outstanding shares: 1,553,142,993 shares

+ Number of treasury shares: 0 share.



**Research Team:**

**Tsugami Shoji**

Researcher

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

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***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)