



# VIETNAM DAILY NEWS



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Table of content

## Table of content

1. Shares lose steam, VN-Index struggles to break 1,400 threshold
2. Viet Nam's EVI announced for first time
3. Investments in deep-water ports paying off
4. Education stocks seriously affected by COVID-19
5. Traditional markets in HCM City reopen
6. Trung Nam completes first offshore wind power project in Tra Vinh
7. Techcombank raises US\$800 million in its largest ever offshore syndicated loan facility
8. VIC: VinFast to debut new electric vehicles at Los Angeles Auto Show 2021
9. HDB: HDBank rolls out online loan package for small businesses at 4.99 per cent interest

## Market Analysis

### 1. Shares lose steam, VN-Index struggles to break 1,400 threshold

The market finished mixed in the last trading session of the week, with the VN-Index once again failing to breach the 1,400-point level.

On the Ho Chi Minh Stock Exchange (HoSE), the benchmark VN-Index inched slightly higher as selling force weighed on some pillar stocks. The index closed at 1,392.7 points, up 0.85 points, or 0.06 per cent.

In the morning trade, it gained nearly 5.5 points to 1,397.32 points as many large-cap stocks, especially in the banking and real estate sectors, witnessed a strong rebound after falling for two consecutive sessions.

The market's breadth turned negative with 215 stocks declined while 207 edged higher. The liquidity was almost unchanged as investors poured nearly VND22.1 trillion (US\$970.17 million) into the southern bourse, equivalent to a trading volume of more than 784.5 million shares.

The benchmark was still supported by large-cap stocks, with the 30 biggest stocks tracker VN30-Index up 1.46 points, or 0.1 per cent, to 1,504.84 points.

Of the top three stocks influencing the market's trend, VPBank were the biggest gainer, up 1.49 per cent, followed by Hoa Phat Group (HPG) and Sabeco (SAB).

Supporting the uptrend, Orient Commercial Joint Stock Bank (OCB), TPBank (TPB) and PetroVietnam Gas (GAS) also posted good performance, up in a range of 0.63 - 4.68 per cent.

The index's gain was capped by surging selling pressure on some pillar stocks. Data compiled by vietstock.vn showed that Saigon Hanoi Commercial Joint Stock Bank (SHB) led the downtrend, with a fall of 5 per cent.

Losses in Vietjet Aviation JSC (VJC), Masan Group (MSN) and Vinhomes (VHM) also weighed on the market's sentiment.

Analysts from Saigon - Hanoi Securities (SHS) said that the benchmark closed above the support zone of 1,375 - 1,380 points, so there is still chance for it to head toward the psychological level of 1,400 points.

On the Ha Noi Stock Exchange (HNX), the HNX-Index was stable at 384.84 points.

During the trading session, nearly 118.8 million shares were traded on the northern bourse, worth more than VND2.69 trillion.

Meanwhile, foreign investors came back to HoSE as they net bought a value of VND83.3 billion on the exchange. However they net sold a value of VND21.23 billion on the northern market.

## Macro & Policies

### 2. Viet Nam's EVI announced for first time

Viet Nam's electric vehicle index (EVI) has been announced for the first time, aiming to help enterprises in the value chain make decisions on production and business.

The Vietnam Petroleum Institute (VPI) built and unveiled the index on Thursday after consulting domestic and foreign experts.

According to the institute, policies, strategies and technological development are unstable and unpredictable elements that have great impacts on the development of the electric vehicle (EV) market.

The VPI has used various signposts to assess the domestic EV market.

Viet Nam's EVI in the third quarter of this year reached 1.6 out of 5 points based on the signposts of policies, the network of charging stations, ownership costs, clients' liking, GDP per capita, technology and the regional EV market.

The VPI said Viet Nam has potential to develop the EV market as the country's car ownership rate is 23/1,000, only one tenth of the rate in Thailand and one twentieth of Malaysia.

Although Viet Nam is yet to build a roadmap or targets on EV development, it has issued several incentives to reduce EV ownership costs.

### 3. Investments in deep-water ports paying off

The volume of goods transported through southern ports has been rising by an average of 20 per cent a year in recent years, according to a report by Vietcombank Securities Company (VCBS).

The rate in the north has been 13.2 per cent.

Data from the General Statistics Office shows that in the first half of this year seaports in southern provinces like Ba Ria - Vung Tau, Tien Giang and An Giang achieved high growth rates.

VCBS analysts said there are several reasons for this.

They shared some common advantages with the rest of the country like the high growth in Viet Nam's exports and imports thanks to free trade agreements it has signed with several countries that are starting to take effect.

Market Research Company Fitch Solutions has forecast Viet Nam's trade to grow at an annual rate of 11 per cent between 2021 and 2024.

The Government's pro-active investment in the logistics infrastructure in recent years has helped attract supply chains from many countries, helping

increase imports and exports that pass through the country's ports.

They said in the past huge volumes of exports from the south to China were transported to northern ports by sea and then by road to the Chinese border.

But recently the Chinese government has tightly controlled border trade with other countries, and as a result a majority of goods from the south are now transported directly by sea to China, significantly decreasing the volume of freight handled by northern ports like Hai Phong, they pointed out.

However, the most important reason for the southern seaport system to do well is the development of deep-water facilities at some locations, particularly Ba Ria - Vung Tau Province.

Industry insiders concurred with the analysts, saying deep-water ports are increasingly preferred around the world since they could handle large vessels like large container ships and bulk carriers.

Meanwhile, according to the SSI Securities experts, the increasing demand for cargo transportation has

seen larger and larger container vessels being built, which only deep-water ports can handle.

### Investments

Realising the trend, some major logistics companies in the south have stepped up investment into deep-water ports.

Gemadep is one such. The company has entered into a joint venture with French container shipping giant CMA-Terminals to build the Gemalink Port, Viet Nam's deepest and largest to date.

The joint venture, Terminal Link Cai Mep Terminal JSC, has a total capital of \$520 million with the first phase of construction costing \$330 million.

The port spreads over an area of 72ha and has an annual capacity of 2.4 million twenty-foot equivalent units (TEU). It can handle the world's largest ships.

A Gemadep executive said as soon as the first phase was completed and the port began operation in January this year, it helped double the company's container loading capacity.

The port, situated in the Cai Mep -Thi Vai Complex, is equipped with the most modern European facilities. It has dedicated berths for feeders and barges to optimise productivity and avoid the congestion that plagues many ports around the world.

The VCBS experts estimated it could generate enough turnover for the company to break even in its very first year.

Gemalink has become the pride of Viet Nam as one of the 19 largest ports in the world and being capable of handling vessels of up to 200,000 DWT.

Gemalink is also expected to become one of the most important transshipment hubs in the Asia-Pacific region.

Gemalink is not Gemadep's first deep-water port.

In 2018 it completed the first stage of the Nam Dinh Vu Container Terminal in the Nam Dinh Vu

Industrial Park in the northern city of Hai Phong and put it into operation.

It was the company's seventh port and second deep-water port, and can berth vessels of up to 40,000 tonnes.

But its first deep-water port was the Tan Cang - Cai Mep International Container Terminal at the Cap Mep -Thi Vai complex, which for eight years remained the largest deep-water terminal in the country.

The Cai Mep -Thi Vai complex is in Ba Ria - Vung Tau Province, around 80km south of HCM City. It contains a cluster of deepwater ports with a combined length of over 20km that handle over 30 per cent of the country's exports by containers.

According to the Vietnam Seaports Association, in the first five months of 2021 the total throughput volume passing through Cai Mep - Thi Vai was 2.3 million TEUs, a 47 per cent increase from the same period last year.

It has the title of fastest-growing seaport in the world with an average annual growth rate of 22 per cent.

### Development

With a coastline stretching over 3,000km, Viet Nam has a maritime and inland waterway transport system that plays an important role in the country's socio-economic development.

Every year its ports handle 90 per cent of imports and exports.

As of April this year there were 286 ports in the country with a total wharf length of 96km, more than 4.5 times the figure 20 years ago.

They handled total cargo of more than 692 million tonnes, 8.4 times the volume in 2000.

The volume of containers they handled increased by more than 15 times in the 2001-2021 period.

Recognising this great potential of deep-water ports as well as the country's natural advantages, the Government has approved a new master plan for the

development of the seaport network with top priority given to deep-water ports.

The master plan will take advantage of the favourable geographical and natural conditions and technological advancements to ensure comprehensive development of ports.

It will focus on investment in key ports, particularly deep-water facilities, to make them the pillars of the maritime economy and promote the development of the logistics industry.

Analysts said it is important that the Vietnam Maritime Administration frequently assesses the situation to amend the development orientations in a timely manner in line with evolving needs.

They said special attention should be paid to developing ports in the Mekong Delta, which has an abundance of agricultural products for export but lacks a well-developed port system.

A deep-water port would, together with Can Tho Airport, promote the region's economic development, they added.

#### 4. Education stocks seriously affected by COVID-19

Education stocks that have small capitalisation, low liquidity and ill-diversified products have been seriously affected by the COVID-19 pandemic.

The fourth strain of COVID-19 led to prolonged social distancing measures in provinces and cities, especially in HCM City and Ha Noi, which have the largest market shares of educational equipment and products.

Many book stores and stationery stores had to shut down, while businesses were halted. This affects not only suppliers of equipment and stationery for educational activities, but also book publishers.

Phuong Nam Culture Joint Stock Company (PNC) lost VND8.2 billion (US\$360,600) in the first half of 2021, although revenue was 1.13 times higher than the same period last year, reaching VND246.3 billion.

Ho Chi Minh City Book Distribution Corporation (FHS), which has more than 110 bookstores in 46 provinces and cities, expects sales to continue to decline, as many stores in the system have to temporarily close.

The COVID-19 pandemic has forced schools in many provinces and cities to conduct distance learning, causing unprecedented difficulties for businesses in the field of education.

Book publishers said they focused on online sales during the social distancing period, but the delivery

of products was disrupted because most of the delivery providers had to stop working.

At the same time, applying digital transformation in selling e-books is not easy, they said.

Some leading names in the industry in the education sector still performed well in the first half of 2021.

Ha Noi Education Development and Investment Joint Stock Company (EID) achieved VND499.4 billion in revenue and VND34.7 billion in profit after tax in H1, up by 1.28 times and 1.27 times, respectively.

Phuong Nam Education Development and Investment Joint Stock Company (SED) recorded VND364.6 billion in revenue and VND16.7 billion in profit after tax, 1.53 times and 1.24 times higher, respectively.

Thang Long Star Investment Joint Stock Company (DST) reported VND15.8 billion in revenue and more than VND4 billion in profit after tax, while Southern Book and Educational Equipment Joint Stock Company (SMN) attained VND274.2 billion in revenue and VND5.2 billion in profit after tax.

Thien Long Group Joint Stock Company (TLG) achieved revenue of VND1.43 trillion and profit after tax of VND176 billion in the first six months of 2021, up by 1.27 times and 10 times over the same period in 2020, respectively.

## Future worries

Education and training are among the prioritised industries of the Party, State and the whole country. However, many businesses operating in the field of education admit that they are lagging behind the market's needs and requirements.

On the stock market, there are more than 20 businesses operating in the field of education, but most of them are in the field of publishing and stationery products, which are seasonal and highly affected by events such as COVID-19. Therefore, there are few activities to develop specialised educational training associated with technology infrastructure.

Except for Tan Tao University under FPT Corporation, there are very few enterprises on the stock exchange applying technology in education-related services.

There are some businesses starting to apply technology in their English teaching apps or self-study apps, but most of them are just start-up ideas with a modest scale.

In the first six months of 2021, FPT's education segment revenue increased by 53 per cent compared to the same period last year, reaching VND1.36 trillion. However, FPT leaders themselves admitted that the work in the field of specialised education requires much more effort.

According to many securities companies, the demand for education products will increase sharply in the coming years as the market size increases, but now most businesses prefer stability and have not yet adapted to drastic changes in technology to meet demand.

## 5. Traditional markets in HCM City reopen

About 47 out of 234 traditional markets in HCM City with traders of fresh food, dry food and essential goods have opened.

According to the HCM City Department of Industry and Trade, traditional markets earlier this week remained closed in districts 3, 4, 6, 7, 8, Go Vap, Phu Nhuan, Binh Chanh, Hoc Mon and Nha Be.

About 22 markets are planning to reopen, including Dan Sinh and Thai Binh in District 1; Ban Co, Nguyen Van Troi and Vuon Chuoi in District 3; Phung Hung, Tan Thanh and Dong Khanh in District 5; Tan My in District 7; Rach Ong, Pham The Hien, Nhi Thien Duong and Xom Cui in District 8; Binh Hung Hoa, Da Sa, Khu pho 2, Binh Long and Kien Duc in Binh Tan District; Phu Nhuan, Tran Huu Trang and Nguyen Dinh Chieu in Phu Nhuan District and Phuoc Loc in Nha Be District.

All unofficial gathering and trading activities, however, that encroach on roads and fail to ensure epidemic prevention and control and food hygiene and safety are prohibited.

Locals are encouraged not to support or trade at prohibited market areas.

Resolution 128, classifying four levels of the epidemic, states that traditional markets, restaurants and eateries are allowed to operate on the basis of epidemic prevention and control.

However, in very high-risk areas, the provincial People's Committees will announce necessary and specific conditions for these activities to be carried out more safely.

Some traders in traditional markets are concerned about a decrease in buying power from customers. Trinh Minh Quang told e-newspaper VnExpress that he has been able to sell one-tenth of his seafood compared to months ago.

"Fresh seafood, when it cannot be sold within three to four days, will go to waste. We are trying to keep my store open as a reminder to our customers that we are still in business," he added.

Meanwhile, Pham Trung Hieu, owner of a chicken eatery, pointed out that locals' habits of dining at home has discouraged them to order takeaways.



## 6. Trung Nam completes first offshore wind power project in Tra Vinh

Trung Nam Tra Vinh 1 Wind Power Joint Stock Company, installed the last wind tower of the Dong Hai No 1 wind power project in the southern province of Tra Vinh yesterday.

The firm, a member of Trung Nam Group, installed a total of 25 towers in the VND5 trillion (US\$217 million) project over the past ten months in an effort to run the first offshore wind power project of the group.

According to the firm, the project with a total capacity of 100MW would add about 330 million kWh of green energy annually, connect to the national grid, help diversify sources and gradually

approach the ability to balance sources with fossil fuels, especially in the context of international orientation for a "zero carbon" future.

Starting at the end of the fourth quarter of 2020, the firm has used 1,100 engineers and workers for the construction 14km offshore.

Although it was the firm's first offshore wind power project and was carried out during the worst wave of the pandemic, the group said it completed the "dual goals" of effectively preventing the spread of the virus and promoting economic development at the same time.

## 7. Techcombank raises US\$800 million in its largest ever offshore syndicated loan facility

Techcombank has successfully concluded its largest ever offshore syndicated loan facility at US\$800 million, a record size and landmark structure among Vietnamese banks.

This is Techcombank's second approach to the offshore loan syndication markets after its maiden accomplishment last year, which also set a record.

The fully underwritten syndication was launched in June this year at an original deal size of \$500 million with a pre-funding option. The facility amount was upsized to \$800 million to accommodate the strong market response. The dual tranche senior unsecured facility comprises a \$600 million 3-year tranche and a \$200 million 5-year tranche. The facility offers an interest margin of 135 basis points per annum on the 3-year tranche and 162 basis points per annum on the 5-year tranche, over US dollar London Inter-Bank Offered Rate (LIBOR).

The 5-year tranche is a landmark for Vietnamese banks. The outstanding success of this transaction reaffirms the market's trust and confidence in Techcombank, its robust risk management and customer-centric business strategy. Techcombank's exemplary track record has attracted the largest pool of liquidity for a Vietnamese financial institution to date. A total of 28 prestigious

international banks and development finance institutions participated in the transaction.

Loan proceeds, which are for general corporate and working capital purposes, will bolster Techcombank's ability to meet the increasing medium- and long-term funding needs of its customers in both foreign and local currencies.

Standard Chartered Bank (SCB), which initially underwrote the financing, was joined by fellow Mandated Lead Arranger Banks and Underwriters: Cathay United Bank, Maybank Kim Eng, State Bank of India, and Taishin International Bank.

Bryan Liew, Head of Leveraged and Acquisition Finance Syndicate of SCB, said: "The transaction was a landmark for the Vietnamese loan market, given its profile, size and tenor. The fact that it successfully attracted over 20 diversified lenders in syndication and was upsized by 60 per cent is clear testament to the bank market's confidence in Techcombank's financial profile and growth trajectory. We proudly delivered this milestone deal in close co-operation with the Commercial, Corporate and Institutional Banking team led by Nguyen Thuy Hanh, Deputy CEO, SCB Vietnam. We thank Techcombank for their trust in SCB and our franchise."

Trinh Bang, Group Chief Financial Officer and Chief Strategy and Corporate Development Officer of Techcombank said: “The success of our syndicated loan in terms of size, structure, tenor and participation showcases the continued belief international lenders have in Techcombank’s and Viet Nam’s long-term growth prospects, despite the

challenges presented by COVID-19. With this funding, Techcombank is well-positioned to support growing customer needs for medium- and long-term funding. On behalf of Techcombank, I would like to thank all the banks involved for their commitment, support and confidence in Techcombank and the Viet Nam market.”



## Corporate News

### 8. VIC: VinFast to debut new electric vehicles at Los Angeles Auto Show 2021

↑ 0.11%

VinFast, a Vietnamese automotive manufacturer established in 2017, has announced the global debut of its new electric vehicles (EVs) at the 2021 Los Angeles Auto Show this November.

At the show slated for November 19 to 28, VinFast will introduce the VF e35 and VF e36 electric SUV models in the respective D & E market segments.

These two EVs integrate ADAS (Advanced Driver-Assistance Systems), featuring lane assist, collision warning, driver monitoring, fully automated parking, summon vehicle, among other functions.

They are also equipped with Smart Infotainment, including in-car control features with voice assistant, virtual assistant, and e-commerce services.

At the event, VinFast will officially launch its global EV brand as well as smart and environmentally friendly e-mobility solutions researched and developed by Vingroup's technology ecosystem.

This global premiere marks the official introduction of the VinFast EV brand to the North American market. Pre-orders will begin in the first half of 2022.

### 9. HDB: HDBank rolls out online loan package for small businesses at 4.99 per cent interest

↓ -1.16%

The HCM City Development Joint Stock Commercial Bank (HDBank) has unveiled an online preferential credit package of VND5 trillion (US\$220 million) with an interest rate of only 4.99 per cent.

The 'Online loans with preferential interest rates' programme seeks to support family businesses and small and medium-sized enterprises (SMEs) with restoring production, and improving and expanding their business.

It also aims to promote the use of online transactions by customers.

Customers can register for loans [here](#).

The bank will automatically send a proposal to applicants, reply to their inquiries and advise them on procedures within 24 hours. It will keep all information confidential.

The programme will run until March 31 or the entire sum is lent.

HDBank has increased its Swift SME package up to VND10 trillion (\$440 million) with interest rates from 6.2 per cent a year.

Customers have to meet the bank's lending terms and complete simple procedures to borrow. They can submit their documents at any branch until December 31.

For individual customers and micro-enterprises, HDBank has introduced the 'Joining Hands - Moving forward sustainably' programme that offers loans at preferential interest rates starting at 6 per cent until March 31.

HDBank also offers three loan packages at interest rates from 3 per cent for landlords to help ease the pressure they have to pay debts and ensure a stable income in the early stages of the country's new normal.

HDBank has always offered businesses and family businesses capital financing packages that help them overcome difficulties, balance their cash

flows and reduce financial pressure during a recovery period.

To help customers conduct safe and smooth global financial transactions during the pandemic, HDBank has speeded up its document digitization process with a comprehensive set of tools like eAccount (opening accounts for businesses online), eCredit (online 24/7 credit approval), eLC (online L/C issuance), eTT (online international money transfer), eFEX (online foreign currency sales), eFactoring (online factoring), and eDrawdown (online loan disbursement).

It has so far supported individual and business customers to the tune of more than VND42 trillion (\$1.8 billion).

Apart from preferential interest rates, the bank also offers waiver and reduction of a number of fees that helps customers optimise costs and enhance capital efficiency.

Sovico Group and HDBank have donated hundreds of billions of dong to the National Covid-19 Vaccine Fund besides medical equipment like ambulances, ventilators, test kits, etc. to various localities to help fight the pandemic to bring the country back to normalcy.

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