



# VIETNAM DAILY NEWS



October 8th, 2021

Table of content

## Table of content

1. Shares rise for four straight days, pushed by real estate stocks
2. Apparel industry struggles to reach export target this year due to COVID-19
3. Personal demand for deposits drops sharply
4. Government bond market picks up as public investment disbursement rises
5. Agricultural sectors see trade surplus in first nine months of this year, despite COVID-19 restrictions
6. Vinh Phuc reaps success in attracting FDI
7. Quang Ninh to apply sandbox model to tourism
8. VJC: Vietjet re-opens seven domestic routes from October 10
9. SSI: SSI estimates 9 months' profit to reach nearly 2,100 billion dong

## Market Analysis

### 1. Shares rise for four straight days, pushed by real estate stocks

The market rose for the fourth straight session on Thursday as investors sought real estate stocks, boosting many large-cap stocks in the group to move higher.

On the Ho Chi Minh Stock Exchange (HoSE), the benchmark VN-Index rose 0.23 per cent, to 1,365.99 points. The market's breadth was positive with 228 stocks climbing, while 192 stocks declined.

The index had gained a total of 2.3 per cent in the last four sessions.

Investors poured VND20 trillion (US\$881 million) into the southern exchange, equivalent to a trading volume of nearly 693 million shares.

The 30 biggest stocks tracker, the VN30-Index, increased 0.07 per cent, to 1,462.74 points. In the VN30 basket, 11 stocks jumped, while 18 stocks slid and two ended flat.

In the large-cap group, gainers were insurer Bao Viet Holdings (BVH), Vingroup (VIC), Vietcombank (VCB), Vietinbank (CTG), Sabeco (SAB) all gained. On the other side, PetroVietnam Gas (GAS), FPT Corporation (FPT), Masan Group (MSN), Vinamilk (VNM), Mobile World Group (MWG) and Novaland (NVL) were the blue-chip stocks that dropped.

According to financial news site cafee.vn, real estate and construction attracted cash flow with a series

of gainers such as C.E.O Group JSC (CEO), Dat Xanh Group (DXG), FECON Corporation (FCN), Ba Ria-Vung Tau House Development Co (HDC), Khang Dien House (KDH), Phat Dat Real Estate (PDR), Tu Liem Urban Development JSC (NTL) and Dat Phuong Group (DPG).

Industrial park stocks also traded positively with many gainers such as Nam Tan Uyen JSC (NTC), Sonadezi Chau Duc Shareholding Co (SZC), Sonadezi Long Thanh (SZL), The Viet Nam Rubber Group (GVR), Becamex (BCM) and Kinh Bac City Development Share Holding Corporation (KBC).

Towards the end of the session, the VN-Index's gain was also significantly strengthened by securities stocks, including FPT Securities Joint Stock Company (FTS), Ho Chi Minh City Securities Corporation (HCM), Viet Capital Incorporation (VCI), SSI Securities Incorporation (SSI), Agribank Securities Corporation (AGR) and APG Securities Joint Stock Company (APG).

On the Ha Noi Stock Exchange (HNX), the HNX-Index also closed higher with a gain of 0.52 per cent, to 370.40 points.

During the session, more than 102 million shares were traded on the northern bourse, worth nearly VND2 trillion.

## Macro & Policies

### 2. Apparel industry struggles to reach export target this year due to COVID-19

The domestic textile and garment industry is likely to not reach its goals in production and business due to the strong impacts of the COVID-19 pandemic, according to the Viet Nam Textile and Apparel Association (Vitas).

The last three months of this year are considered to be an extremely difficult period for the textile industry, it said. Of which, the highest risk is supply chain disruption due to customers transferring orders to other markets.

Another important thing is the lack of human resources due to workers returning to their hometown to avoid the pandemic.

With the pandemic at present, the industry will find it very difficult to reach its export value target for this whole year at US\$39 billion as in 2019.

There are three development scenarios for the domestic apparel industry this year, according to the association.

The most positive scenario is if Viet Nam controls the pandemic and enters the "new normal" situation from the beginning of October, the export value for this whole year is likely to reach about \$37.5-38 billion.

In the second scenario, this export value is expected to reach about \$36-36.5 billion if the pandemic continues, there are still some localities and industrial zones in lockdown or isolation until November.

The worst-case scenario is that the pandemic continues until early December 2021, in which the export value of the industry is expected to reach only \$33.5-34 billion.

Next year, the textile and garment industry will strive to achieve an export turnover of \$39-42 billion if the production and business situation returns to normal.

To remove current difficulties, it is necessary to closely coordinate between apparel enterprises and

local authorities in implementing anti-pandemic plans and also production plans to reach the Government's dual goal of fighting the pandemic and recovering the domestic economic growth.

Meanwhile, enterprises must not let the supply chain of the apparel industry break. Besides that, they both implement safe production plans and support each other to fulfil unfinished orders.

On the other hand, the enterprises need to care about the employees who are still working, as well as those who take unpaid leave to return to their hometown due to the pandemic. That will prevent workers from quitting jobs at those enterprises and make them ready to go to work when the pandemic is over.

In addition, Vitas chairman Vu Duc Giang said the enterprises also need support from the Government, ministries, sectors and localities to overcome the pandemic and realise the dual goals, especially vaccination for workers.

Vitas has suggested the State continuously reduce electricity prices and value-added tax by 20-30 per cent until the end of June 2022 for businesses in localities implementing social distancing measures under Directive 16.

Those localities should also not adjust land rents and even reduce the rent by 50 per cent until the end of June 2022 for the businesses.

According to the association, many enterprises in the southern provinces with the pandemic have implemented safe production plans, but they can only maintain jobs for about 10 per cent to 30 per cent of the workforce with much higher production costs than normal.

The apparel industry's export turnover in August decreased by 15.9 per cent month on month and 2.63 per cent year on year. This export value in September was estimated at \$3 billion, continuing to decrease by 9.2 per cent month on month and 10.5 per cent year on year.

However, the industry still achieved a trade surplus of \$11 billion in the first nine months of this year, of which the total export value grew by 13.2 per cent year on year to \$29 billion.

The total import value of materials and accessories in the first nine months was estimated at \$18 billion, up 27.9 per cent over the same period in 2020.

### 3. Personal demand for deposits drops sharply

Credit institutions reported that customers' demand for banking products and services was at a low level in the third quarter compared to the previous one. In particular, the demand for personal deposits declined sharply.

that credit growth reached 7.17 per cent by the end of last month, positively supporting economic growth in the first nine months of the year.

This is the result of a business trend survey conducted by the Statistics and Forecasting Department under the State Bank of Viet Nam (SBV).

Credit institutions expected that capital mobilisation of the whole system would recover, increasing by 4.6 per cent on average in the fourth quarter of this year and by 10.4 per cent for the whole year.

Credit institutions expect the demand to recover in the fourth quarter of this year if the pandemic situation is well controlled.

However, this expectation has decreased compared to an expectation of 11.9 per cent in the previous survey period.

In a general assessment for the whole year, credit institutions have narrowed their expectations for growth in the demand for banking services, in which the demand for loans is expected to continue to increase higher than the demand for deposits and payments.

It is forecast that capital mobilisation of the whole credit institution system will grow by 12.6 per cent next year.

Meanwhile, recent data by the General Statistics Office showed that capital mobilisation of credit institutions only increased by 4.28 per cent as of September 20, lower than the same period last year (7.48 per cent).

Although deposit growth is very low, experts believed that the liquidity of the banking system would still be very abundant under the support of the State Bank.

And before that, data from SBV showed that deposits of personal and business customers at credit institutions increased by 3.59 per cent in the first seven months of this year, much lower than the same period in previous years.

However, the sharp decrease in the demand for personal deposits also raises concerns.

At the same time, deposit growth is slower than credit growth. The General Statistics Office reported

Nguyen Quoc Hung, general secretary of the Viet Nam Bankers Association, said that the amount of personal deposits to credit institutions has dropped since the beginning of the year, therefore, the ability to mobilise capital also tended to decrease.

This led to the risk of difficulties in resources to support businesses after the pandemic, leading to possible liquidity pressure in the future, he added..”.

### 4. Government bond market picks up as public investment disbursement rises

Plentiful liquidity of the banking system has allowed the Government to issue bonds with low coupon rates and high winning ratio, MB Securities company reported.

According to the report, State Treasury offered VND48 trillion (US\$2.11 billion) worth of bonds in September and successfully mobilised VND38.458 trillion (\$1.69 billion) from the primary market,

accounting for 80 per cent of the offered bonds. Winning volume increased 6.16 per cent compared to August.

Winning yields remained almost unchanged since late August with yields for 5-, 10- and 15-year bonds being 0.82, 2.12 and 2.35 per cent respectively.

Government bond trading on the secondary market was also picking up with average trading volume reaching VND12.1 trillion (\$532 million) in September, up 47 per cent month-by-month. Average outright trading volume was worth VND8.7 trillion (\$383 million) per day, up 45 per cent against August.

At the end of September, the yield for 10-year bonds stood at 2.17 per cent, 6 basis points higher than the previous month. Likewise, 2-year bonds also saw an increase in yield to 0.76 per cent, up 7 basis points.

Foreign investors net sold VND691 billion (\$30.34 million) worth of government bonds in September, and net bought a total of VND10.471 trillion (\$460 million) so far in 2021.

Government bonds issuance is expected to rise in the future to finance growing public investments.

## 5. Agricultural sectors see trade surplus in first nine months of this year, despite COVID-19 restrictions

The agriculture sector gained a trade surplus of US\$3.3 billion in the first nine months of this year, a miracle in the context of the COVID-19 pandemic that has affected almost every other part of the economy.

During the first nine months of 2021, the total trade value of agricultural, forestry and fishery products was estimated at \$67.7 billion, up 27.9 per cent over the same period last year, Deputy Minister of Agriculture and Rural Development Phung Duc Tien said at the ministry's monthly press conference held on October 5.

Exports grew by 17.7 per cent year on year to \$35.5 billion and the import value was estimated at \$32.2 billion, up 41.6 per cent.

The ministry reported that farm produce accounted for \$15.8 billion (up 14.4 per cent year on year), while forestry products contributed \$11.97 billion (up 31.6 per cent) and fisheries products \$6.2 billion (up 2.4 per cent).

The agricultural industry expects its export value to reach \$44 billion for the whole year as targeted, despite the complicated development of the pandemic.

In the first nine months, many farm products saw a growth in exports, including coffee, rubber, vegetables and fruits, pepper, cashew nuts, cassava

and cassava products, livestock products, pangasius, shrimp, rattan and bamboo.

The four largest markets were the US (accounting for 28.6 per cent), China (19.1 per cent), Japan (6.8 per cent) and South Korea (4.3 per cent).

Nguyen Van Viet, director of the Planning Department, Ministry of Agriculture and Rural Development, said the agricultural sector saw added value in the third quarter increase by 1.04 per cent compared to the same period last year, pushing the nine-month growth rate of the sector's added value to 2.74 per cent, contributing 23.52 per cent to the national economy's overall growth.

According to Viet, to achieve a growth rate of 2.8 per cent for the whole industry in 2021, the livestock and fisheries sector must show strong growth in the fourth quarter.

Therefore, the ministry has issued an action plan to focus on production and business, following the weather conditions and developments of the COVID-19 pandemic in each locality.

This plan will ensure continued implementation of pandemic controls and enough food supply for domestic consumption.

The ministry will promote market development and remove barriers to trade, creating favourable conditions for domestic consumption and export.

It will strengthen connections with companies such as Viettel Post, VNPT Post and goods-delivery businesses to promote the consumption of agricultural products and electronic transactions, providing support for the trading of agricultural products on e-commerce platforms.

The ministry will coordinate with ministries, sectors, localities and associations to remove difficulties in customs clearance and logistics infrastructure, avoiding the stagnation of goods in material regions, factories and the border between Viet Nam and China.

It will also focus on expanding international trade promotion activities in export markets and providing market information for agricultural product exporting enterprises. Information on the policies and regulations of export markets in regards to the COVID-19 pandemic will also be provided.

The ministry continues to closely coordinate with Viet Nam's commercial counsellors abroad to support the export of standard agricultural products to the EU, UK, China and Japan..

## 6. Vinh Phuc reaps success in attracting FDI

Binh Xuyen District has emerged as an investment magnet for foreign investors as more projects are put into operation in the area amid the COVID-19 pandemic, Vinh Phuc industrial zone authority reported.

Binh Xuyen District has become an investment hub in Vinh Phuc Province as it is home to seven industrial zones, namely Binh Xuyen, Binh Xuyen II, Ba Thien, Ba Thien II, Son Loi, Nam Binh Xuyen and Thang Long Vinh Phuc.

According to the report, Binh Xuyen Industrial Zone has led the province in attracting FDI with 84 FDI projects by September 30, amounting to a total investment of US\$1.275 billion (occupancy rate of 92 per cent). Meanwhile, Ba Thien Industrial Zone managed to lure \$886.72 million with 31 FDI projects (occupancy rate of 75 per cent), and Ba Thien II \$875.64 million with 53 FDI projects (occupancy rate of 68 per cent).

The number of FDI projects attracted to Binh Xuyen II industrial zone was 57 in phase I with a total investment of \$303.45 million (occupancy rate of

100 per cent). Thang Long Vinh Phuc industrial zone also saw an investment inflow of \$720.76 million with 25 FDI projects, equivalent to an occupancy rate of 63 per cent.

The number of projects with valid licenses to operate in industrial zones in Vinh Phuc was 404 by September 15, consisting of 75 domestic direct investment (DDI) projects and 329 FDI projects with total registered capital of VND19.428 trillion (\$853 million) and \$5.378 billion respectively.

Regarding FDI projects, Vinh Phuc authority has granted new licenses to 24 projects and approved capital adjustments to 19 projects with total registered capital of \$840.91 million and \$88.08 million respectively.

FDI enterprises in Vinh Phuc have successfully overcome difficulties and maintained operation during the pandemic thanks to the province's dual target. The province is striving to attract 5-8 more new FDI projects and three new DDI projects within the next three remaining months of 2021.

## 7. Quang Ninh to apply sandbox model to tourism

To ensure pandemic safety, Quang Ninh will apply the sandbox model to tourism and prioritise serving groups of tourists once this northeastern coastal province re-opens its door to travellers from other localities.

The provincial People's Committee this week held a teleconference with departments, sectors, and localities in Quang Ninh to look into procedures for tourist reception to achieve the target of attracting two million visitors in the fourth quarter.

Chairman of the People’s Committee Nguyen Tuong Van said tourism development needs to be based on the principle of safety, so criteria for making tourist reception procedures and rules on traveller behaviours must be clarified.

Quang Ninh has permitted local tourist sites to welcome visitors from within the province from October. It is planning to re-open to those from other localities next month.

The provincial Department of Tourism has drafted guidelines on procedures for the trial reception of visitors in the “new normal” context, including requirements related to those from within Quang Ninh and from other localities.

According to these draft guidelines, tourism businesses and service suppliers must guarantee safety from COVID-19 by meeting safety requirements for passenger transportation, vehicles, tours, and destinations.

Director of the Tourism Department Pham Ngoc Thuy said Quang Ninh is calling on local residents to visit local tourist sites, adding that it is encouraging enterprises based in the province to organise tours for their employees.

To lure travellers from other localities, he added, it is necessary to boost tourism promotion to attract tourist groups while ensuring safety for visitors to local places of interest.

The sandbox model should be applied to ensure safety amid the pandemic, Thuy noted.

Once getting the green light from the provincial administration, Quang Ninh will firstly re-open the Tuan Chau international tourism and entertainment complex, Ha Long Bay, and the Complex of Yen Tu Monuments and Landscape to tourists from other localities. In particular, sandbox tours such as night cruise trips on Ha Long Bay and trips to the high-end Legacy Yen Tu Resort will be given the top priority.

This trial period will undergo frequent examination and assessment, according to the official.

The provincial People’s Committee assigned the departments of health, transport, and tourism to advise it about the conditions necessary for ensuring COVID-19 safety and form “green” tours and tourist sites when welcoming tourists from elsewhere back.

Meanwhile, localities in Quang Ninh were told to proactively get plans and criteria ready for traveller reception to support safe tourism recovery.

The province has completed injecting all eligible people with the first doses of COVID-19 vaccine, and the administration of the second doses is expected to finish in October.

At present, people coming to Quang Ninh are still required to be fully vaccinated and have a negative RT-PCR test result for the coronavirus within 72 hours.

## Corporate News

### 8. VJC: Vietjet re-opens seven domestic routes from October 10

↓ -0.46%

Vietjet plans to re-open seven domestic air routes from October 10, the budget carrier said on Wednesday.

These routes connect HCM City with Quy Nhon City in Binh Dinh Province, Thanh Hoa, Tuy Hoa City in Phu Yen Province, Phu Quoc Island in Kien Giang Province, Nha Trang City in Khanh Hoa Province with a frequency of a return flight per day.

The Thanh Hoa-Nha Trang and Thanh Hoa-Phu Quoc routes will open two return flights per week, Vietjet said.

During the period from October 10 to October 19, the flights will implement seat spacing according to the regulations of the Civil Aviation Authority, it added.

The detailed information on flight schedule and tickets will be updated on [www.vietjetair.com](http://www.vietjetair.com) and Vietjet Air mobile app or ticket offices, official agents as soon as allowed.

The airline suggested passengers fully comply with 5K regulations, update information on disease

control regulations in destination provinces and cities in order to ensure pandemic prevention regulations and have a safe, convenient flight experience.

According to Vietjet, within 24 hours before the scheduled departure time, passengers should carry out online procedures (check-in) via [www.vietjetair.com](http://www.vietjetair.com) or Vietjet Air mobile app as well as declare medical information according to regulations at <https://vnkm.yte.gov.vn>.

As one of the airlines certified with the seven-stars rating by Airlines Rating – the world’s highest level for implementing safety measures against COVID-19 for global airlines, Vietjet has applied the best international standard pandemic prevention and control measures in all operating activities.

All of Vietjet’s aircraft are equipped with a HEPA filter system which can filter up to 99.7 per cent of dust, bacteria and viruses. All frontline staff serving passengers have been fully vaccinated as well as regularly tested, fully equipped with the best pandemic prevention equipment.

### 9. SSI: SSI estimates 9 months' profit to reach nearly 2,100 billion dong

↑ 1.88%

According to information from SSI Securities Joint Stock Company (HOSE : SSI), in the first 9 months of 2021, the Company is estimated to reach nearly VND 2,100 billion in pre-tax profit. Compared to the same period last year, this result increased by 94%. Thus, SSI 's profit is estimated at VND 836 billion in the third quarter.

In 2021, SSI sets a target of consolidated revenue of VND 5,263 billion and consolidated pre-tax profit of VND 1,870 billion. The company planned to increase pre-tax profit by 20% compared to the previous year. After 9 months, the Company has

exceeded 12% of the plan approved by the Annual General Meeting of Shareholders.

During the year, SSI plans to offer up to 442.7 million shares by issuing shares to increase capital from equity, offering additional shares to existing shareholders, private placement and ESOP. After the issuance, SSI plans to increase its charter capital to VND 11,000 billion. The capital raised from the issuance will be used to supplement business capital for the Company’s underwriting, investment and margin lending activities.



**Research Team:**

**Tsugami Shoji**    *Researcher*

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

**Disclaimer:**

*Copyright 2015 Japan Securities Incorporated (JSI). All rights reserved. This report has been prepared on the basis of the information believed to be reliable at the time of publication as provided by StoxPlus (www.stoxplus.com) - An associate company of Nikkei Inc. and QUICK Corp. JSI makes no representation or warranty regarding the completeness and accuracy of such information. This report is provided, for information purposes only and does not constitute an offer or solicitation to buy or sell any securities discussed herein any jurisdiction. Investors must make their investment decisions based upon independent advice subject to their particular financial situation and investment objectives. This report may not be copied, reproduced, published or redistributed by any person for any purpose without the written permission of an authorized representative of JSI.*

***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)*