



VIETNAM DAILY NEWS



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Market Analysis

1. VN-Index slips with record-high trading value

The index traded in a narrow band throughout the day and closed eight points lower. It closed in the red for the second time in the last seven sessions.

Trading value on the Ho Chi Minh Stock Exchange (HoSE), on which the index is based, surged nearly 50 percent to a new peak of VND43.21 trillion (\$1.9 billion).

This exceeded the previous record on Aug. 20, when the market plunged 45 points.

The VN30 basket, comprising the 30 largest capped stocks, saw 15 tickers losing, led by GVR of Vietnam Rubber Group, down 6.7 percent from its peak.

Three real estate stocks followed: KDH of real estate firm Khang Dien House dropped 6.3 percent to a one-week low, while NVL of real estate developer Novaland Group and VHM of real estate

giant Vinhomes fell 2.7 percent and 2.5 percent respectively.

PLX of fuel distributor Petrolimex lost 2.4 percent to the lowest since Oct. 22.

Thirteen blue chip stocks gained, led by two banks: HDB of HDBank, up 6.2 percent, and STB of HCMC-based lender Sacombank, up 4.7 percent.

Foreign investors turned net buyers to the tune of VND282 billion, with strongest pressure on HPG of steelmaker Hoa Phat Group and GEX of electrical equipment producer Gelex Group.

The HNX-Index for stocks on the Hanoi Stock Exchange, home to mid and small caps, fell 1.98 percent, while the UPCoM-Index for the Unlisted Public Companies Market gained 0.05 percent.

Macro & Policies

2. Cát Linh-Hà Đông metro line to begin commercial operation before November 10

Deputy Minister of Transport Nguyễn Ngọc Đông on Tuesday told the Vietnam News Agency that the Cát Linh-Hà Đông metro line project will be inaugurated and put into commercial operation before November 10.

According to the deputy minister, the ministry and the Hà Nội authorities met on Monday to discuss issues related to the handover and reception of the project, including documents for the two sides to sign at the handover ceremony of the project.

The quality assessment results of the metro line were approved by the State Council for Acceptance of Construction Projects on October 29. It was the final step for the project to begin commercial operation.

In a related move, the Government Office has just announced the conclusion of Deputy Prime Minister Lê Văn Thành at the meeting on the approval of the project's evaluation for putting it into operation. The Deputy PM requested that the Hà Nội authorities, in coordination with related agencies, thoroughly examine the operation plan, and design plans on transit connections to facilitate people's movement using public transport options. He also required the implementation of COVID-19 prevention and control measures; ensuring traffic safety; and the provision of full and clear information related to the project to the public.

The line, which runs from Cát Linh in Ba Đình District to Hà Đông District, will be the first urban railway put into operation in the country.

With total investment of approximately US\$886 million, funded by Chinese ODA, the elevated line is more than 13km long and has 12 stations and 13 trains. Each train, whose designed speed is 80 km per hour, has four carriages capable of carrying over 900 passengers.

The trial run was completed in December 2020, with more than 70,000km of tests on thousands of trips, enabling the system to operate commercially.

Starting in 2011, the project has suffered numerous setbacks and delays.

The Hà Nội People's Committee has announced the price of the tickets for the Cát Linh-Hà Đông metro, with the lowest one being VNĐ8,000 (\$0.35) for a trip and VNĐ30,000 for a day pass.

A monthly pass for a passenger is priced at VNĐ200,000.

Hà Nội will offer free travel for all passengers during the first 15 days after the line is put into operation, according to Director of the city's Department of Transport Vũ Văn Viện.

3. Port industry to maintain strong growth through 2022

Viet Nam's port industry will likely maintain its growth streak throughout the end of the year and into 2022, thanks to the recovery of the global economy and the number of free trade agreements which the country is a part of.

The flow of cargo through Viet Nam's seaports has been forecast to increase in double-digit numbers, by 15 per cent in 2021 and 14 per cent in 2022.

The industry's growth has been a rarity during the pandemic and subsequent economic downturn caused by major cities and provinces going into

lockdown during the record fourth wave of COVID-19 in the country.

Contributing factors to this success include mass vaccination drives around the globe, which has sped up recovery in key markets such as the US and the EU, and several free trade agreements that have gone into effect, giving the export economy a boost, experts said.

The EU-Viet Nam Free Trade Agreement (EVFTA) in particular has been a boon to Vietnamese exports, according to economist Vo Tri Thanh.

During the first six months of 2020, Viet Nam's exports to the EU declined by 8.9 per cent year-on-year. After the trade deal went into effect on August 1 the country managed to close 2020 with a negative growth of 3.4 per cent, thanks to a large surge in exports to the European single market during the second half of the year.

In the first three quarters of 2021, Viet Nam's exports to the EU increased by 11.7 per cent year-on-year as Vietnamese exporters ramped up their effort to penetrate the EU markets.

Viet Dragon Securities, a major securities firm in Viet Nam, said the industry is likely to continue growing in the short to medium term, thanks to a combination of global vaccination programmes and the recovery of trade and commerce.

The firm based its prediction on the Vietnamese Government's objective of vaccinating as much as 70 per cent of the population by the end of the first quarter of next year.

The port industry will benefit as the economy bounces back, said a report by Agriseco, a securities firm under the Vietnam Bank for Agriculture and Rural Development (Agribank).

There is a direct correlation between commercial activities and the port industry growth, the report said. As manufacturing industries and exports make a comeback after a prolonged hiatus, due to the virus, the industry will likely maintain double-digit growth in the near future.

In addition, shipping costs have steadily risen. A recent report by the SSI Securities Corporation noted that shipping costs have risen by 70-160 per cent and the cost for empty containers has risen by 20-50 per cent since the beginning of the year, across a number of shipping routes.

As demand shows no signs of slowing down and will likely pick up between now and the end of the year, shipping companies are expected to continue to grow, even against a backdrop of an overall gloomy economic outlook.

Infrastructure upgrades

Most industry growth has been forecast to take place in deepwater seaports such as Lach Huyen and

Cai Mep-Thi Vai port complexes, according to BIDV Securities, the securities firm of the Bank for Investment and Development of Vietnam (BIDV).

Deepwater ports are playing an increasingly important role in improving international and domestic shipping companies' operations and efficiency. The recovery of the domestic industrial sectors would likely fuel the industry's immediate growth.

Major efforts have been made to improve Viet Nam's port infrastructure in recent years. Three Vietnamese seaports have been named among the top 50, according to the Container Port Performance Index (CPPI) launched by the World Bank and IHS Markit this year.

Cai Lan International Container Terminal, in the northern province of Quang Ninh, ranked at 46th while Hai Phong Port and Cai Mep International Terminal in the southern province of Ba Ria-Vung Tau ranked at 47th and 49th, respectively.

During the first ten months of the year, the flow of cargo through Vietnamese seaports reached a total of 587 million tonnes, a 2 per cent increase year-on-year. Container cargo, in particular, has been the top performer boasting 20.3 million TEUs (twenty-foot equivalent unit), a 12 per cent increase year-on-year.

Despite the pandemic, Viet Nam's export/import sectors have shown good performance in the first half of the year. The country's total export/import turnover for the first six months of 2021 reached \$320 billion, a 32 per cent increase compared to the same period last year.

The country's master plan to strengthen its seaports in the next ten years includes an expected investment of over VND310 trillion (\$13.6 billion) in infrastructure upgrades, to modernise the industry in support of future socio-economic development.

The plan aims to connect numerous industrial hubs to seaports, raising the country's cargo flow to over 1,400 million tonnes a year. The international maritime gateways in the northern city of Hai Phong, the southern province of Ba Ria-Vung Tau and the central economic zone will be given priority for development.

4. Viet Nam calls for investment in 157 projects during 2021-2025

Viet Nam is calling for foreign investment in 157 projects in the 2021-2025 period, according to a decision recently signed by Deputy Prime Minister Pham Binh Minh.

The projects are in various fields, including transport infrastructure, industrial and economic zone facilities, information technology infrastructure, waste and wastewater treatment, education and health, culture-sports-tourism, agro-forestry-fishery, production and services.

The Ministry of Planning and Investment is tasked with guiding and inspecting the implementation of the decision; co-ordinating with ministries, sectors and localities in detailing information about the projects; organising events to promote the list of the

projects; reporting the investment promotion situation to the Prime Minister; and proposing supplements or adjustments if necessary.

Despite impacts of the COVID-19 pandemic, the inflow of foreign direct investment (FDI) into Viet Nam still rose 4.4 per cent year on year in the first nine months of 2021 to US\$22.15 billion.

An upturn was recorded in both value of investment in new projects as well as additional capital in existing ones.

Specifically, \$12.5 billion was poured into 2,212 newly-licensed projects, up 20.6 per cent over the same period last year, while \$6.4 billion was added into underway projects, a rise of 25.6 per cent.

5. Mekong Delta faces risk of COVID-19 outbreak

MEKONG DELTA — As the number of new COVID-19 community cases continues to increase, the Cửu Long (Mekong) Delta is facing a risk of a large-scale outbreak.

The delta's 12 provinces and Cần Thơ, its largest city, are now facing a complicated outbreak situation.

More than 8,000 cases have been detected in Cần Thơ so far, according to the city's Department of Health. The city recorded its highest number of daily infections with 434 new COVID-19 cases on November 1.

Of the number, 20 cases were detected through screening and rapid tests, 82 cases were found in blockaded areas, and 62 cases were in home isolation. Twelve cases had returned from COVID-19 hit localities and 270 cases were in quarantine facilities.

Nearly 2,000 new cases were detected in Kiên Giang Province in the last week of October, an increase of 1,385 cases compared to the previous week.

The number of daily infections stands at an average of 280 cases. The highest number of new cases was

recorded in Rach Giá city and in districts Phú Quốc, Hòn Đất, Châu Thành and Tân Hiệp.

Đồng Tháp Province recorded 323 new cases from October 25-31. There were 89 new cases on November 1, including 46 community cases.

On November 1, there were 315 new cases found in An Giang Province, 198 in Sóc Trăng Province, 163 in Tiền Giang, 72 in Trà Vinh Province and 13 in Bến Tre Province.

Enhancing pandemic control

The Ministry of Health on November 1 sent an urgent document to all localities in the Mekong Delta asking them to strictly implement anti-pandemic work following the instructions of the Prime Minister and National Steering Committee for COVID-19 Prevention and Control, and the Ministry of Health's regulations and guidelines.

The localities were asked to develop a master plan focusing on vaccine coverage and improving treatment capacity of the health system.

They must strengthen surveillance and early detection of new cases to promptly isolate and prevent the spread of the virus, and strictly control border areas and roads, trails and openings.

Quarantine facilities and blockaded areas must implement prevention measures to avoid cross-infection.

Medical examination and treatment facilities must also require medical declarations, body temperature checks, and COVID-19 screening and classification of patients.

All medical facilities should have sufficient medicine and equipment for COVID-19 patients, and limit the development of serious cases by quickly treating cases.

The ministry also asked localities to set up a treatment system including intensive care centres, field hospitals, mobile medical stations and medical teams to care for COVID-19 patients treated at home.

Localities must speed up vaccinations for people aged 18 and above, and begin vaccinating children aged 12-17 following its instructions.

They were also asked to strictly control movement between different areas, and manage residents in high-risk areas and returnees from other localities.

Relaxing social distancing measures, reopening production and business activities, and restoring the economy in areas at low risk of infection were other requests.

Speaking at a meeting on Monday, the secretary of Đồng Tháp Province's Party Committee, Lê Quốc Phong, said the outbreak is under control but people should not be neglectful due to the unpredictable development of the pandemic.

He asked all sectors to raise awareness about pandemic prevention and control, and remind people to strictly follow the Ministry of Health's 5K message.

They must provide guidance to localities and handle violations of regulations on pandemic prevention and control.

Phạm Thiện Nghĩa, chairman of Đồng Tháp Province's people's Committee, has asked local authorities to prepare a "four on-site" plan for pandemic prevention and control.

More testing should be done in high-risk areas to detect early cases, and localities should manage gatherings of large crowds and help businesses resume operations.

Lâm Minh Thành, chairman of Kiên Giang Province's People's Committee, said that Phú Quốc island was preparing to implement a pilot programme on welcoming back international and domestic tourists. However, the number of community cases is on the rise in the island, posing a high risk of new outbreaks.

"It is difficult to carry out the pilot programme if there is no better solution," he said.

The number of new infections in quarantine facilities and blockade areas is still high, an increase of over 1,100 new cases.

Quarantine is not strictly carried out according to instructions, and cross-contamination is still occurring.

Thành told localities to stop taking new cases to concentrated quarantine facilities, implement home quarantine, and set up concentrated quarantine facilities for COVID-19 patient treatment.

Localities with a high number of new cases must deploy COVID-19 testing and screening to identify and isolate positive cases as quickly as possible, trace the source of the infections and break the chain of infections.

He said that periodic testing should be conducted in high-risk areas, and that COVID-19 vaccinations should be sped up, especially for the elderly and those with underlying medical conditions.

Localities must focus on three pillars: quarantine on the narrowest possible scale with the strictest and fastest measures; goals and roadmaps for appropriate and effective solutions; and ending the time for quarantine and areas under lockdown as soon as possible.

6. Cashless payments more popular since pandemic

With a few clicks on an e-wallet platform installed on her mobile phone, Do Nhu Hoa, a 38-year-old office worker in Ha Noi, can easily pay for her electricity and water bills.

Hoa said she got her e-wallet a year ago after some colleagues told her about its convenience. Now Hoa uses her e-wallet for most transactions.

"It is simple, easy and safe to use and it is free to top up or withdraw money from e-wallet to my bank accounts," Hoa told Viet Nam News.

She said the e-wallet proved its efficiency amid the COVID-19 pandemic when she has to limit physical contact to stay safe.

Hoa is one of many Vietnamese customers who, since the start of the pandemic, now favour non-cash payments like e-wallets.

Thanh Trang, an employee of a private company in Ha Noi, said using non-cash payment has become a habit of hers in recent years.

"I find cashless payment very convenient, now I rarely withdraw cash unless I pay for vegetables at the market and for my breakfast. Even when I forget my wallet or don't have small change left, I can transfer money to sellers via internet banking," Trang told Viet Nam News.

"I'd rather forget my wallet than my phone when I hang out," Trang said, during the pandemic, cashless payment also helps reduce risks of infection, she added.

"The prolonged lockdowns keeping people at home, combined with consumers' fear of catching COVID-19, has accelerated their preference toward using digital transactions. Up to 67 per cent of Vietnamese consumers said they would like to use contactless payment whenever applicable," Thue Quist Thomasen, CEO of YouGov Vietnam told Viet Nam News.

At the same time, financial institutions have been competing to develop and provide the best digital platforms for their customers. Apps that are highly

secured, user-friendly and fully integrated will encourage many Vietnamese consumers who are interested in trying the latest technology products, services and apps toward the digital transformation, he said.

"I believe that the cashless future for Viet Nam is near," he added.

According to AppotaPay's forecast, the cashless payment market will grow strongly in the next three to five years. In particular, mobile money and e-wallets will be key services to help expand non-cash payments share in the Vietnamese market.

A recent report by the Government showed out that cashless payments continue to become more popular, topping VND36.28 quadrillion (US\$1.6 billion) in the first nine months of 2021.

During the period, 435.25 million transactions worth VND22.78 quadrillion were made via the Internet, up 54.1 per cent in volume and 30.7 per cent in value. More than 1.19 billion others worth over VND13.5 quadrillion were conducted via mobile phone, surging 74.98 per cent in volume and 93.69 per cent in value.

Businesses nationwide have made more than 90 per cent of their tax payments via bank transfer. A large number of people have also used this method to pay power bills, medical examination and treatment fees or receive pensions and allowances.

However, payment frauds have also become more common across the country, the report pointed out.

Being a customer, Trang said she is concerned about scams, account stealing and identity theft when making non-cash payments. She suggests banks and app providers ensure payment security and safety.

In recent years, the Government has been facilitating cashless payments in the country.

On October 28, Deputy Prime Minister Le Minh Khai signed a decision to approve a project on developing Viet Nam's non-cash payment for the 2021-25 period.

The project aims to accelerate the growth of cashless payments in Viet Nam and make cashless payment methods more popular to people in both urban and rural areas.

The project also intends to improve security, safety and confidentiality in non-cash payment activities, while improving the operational efficiency of the banking system and enhance the management of State agencies to ensure transparency. This will contribute to the fight against corruption, economic crimes and the prevention of money laundering.

The achievements of Industry 4.0 will also be implemented to upgrade cashless payment infrastructures that meet payment demands in a convenient and efficient method.

Under the project, cashless payment in e-commerce is estimated to reach 50 per cent of total transactions by 2025.

Up to 80 per cent of Vietnamese people from the age of 15 years old will have bank accounts, while the number of points accepting cashless payments will increase to over 450,000 by 2025.

In terms of public services, 90-100 per cent of educational institutions in urban areas will accept

the payment of tuition fees through non-cash transactions while 60 per cent of medical examination and treatment establishments in urban areas will accept non-cash payment by 2025. Up to 60 per cent of people in urban areas will receive their pensions, social insurance and unemployment benefits through this payment method.

As per the project, Viet Nam also aims to achieve 20-25 per cent growth rates in the number and value of non-cash payment transactions in the next four years.

It hopes to archive the respective average growth rates of 50-80 per cent and 80-100 per cent each year in the number and value of transactions via mobile phone, while that of transactions via the Internet is expected to grow 35-40 per cent annually.

To this end, top priority should be given to completing the related legal corridor and policies, upgrading payment infrastructure to be able to connect and integrate with other systems, developing modern payment services and promoting non-cash payment in the public sector and others.

7. Australia-Viet Nam sharpen focus on economic cooperation

Australia and Viet Nam will accelerate trade and investment levels from 2021-2025, through a new economic strategy bringing the two countries' burgeoning commercial ties into sharp focus.

Announced by Prime Minister Pham Minh Chinh and Australian Prime Minister Scott Morrison at COP26, the Australia-Viet Nam Enhanced Economic Engagement Strategy supports Australia and Viet Nam's shared goal to double investment and become top ten trade partners.

The Strategy will help both countries take advantage of emerging market opportunities, including in agriculture, energy, services and the digital economy, as the two economies recover from the impacts of COVID-19.

The development of the Strategy represents close collaboration and considerable work by both

countries, including economic analysis, cross-government consultation and recommendations put forward by business stakeholders.

It highlights key sectors in which Viet Nam and Australia are uniquely matched to deepen trade — education, skills and training; resources and energy; agriculture, forestry and fisheries; manufacturing; tourism; science, technology and innovation; digital economy; and other services.

Australia's Ambassador to Viet Nam Robyn Mudie said the Strategy will help guide the two countries towards an inclusive and sustainable growth path.

"Our economies are highly complementary. Australia is a reliable supplier of the services and raw materials that Viet Nam's exporters require, and our consumers enjoy Viet Nam's high-quality products in their homes and workplaces. There is

enormous potential to take this relationship even further as we emerge from COVID-19”.

“This Strategy is the strongest reflection yet of our confidence in our shared economic future, bringing us closer to becoming top ten trade partners and doubling investment. Through this strategy we can recover our economies and prosper together,” Ambassador Mudie said.

An Implementation Plan for the Strategy has been agreed by both governments, providing a roadmap for practical initiatives to deepen trade and investment links in key sectors, over an initial period of 2021-2025. Both documents will be made available online in the coming weeks.

Corporate News

8. VNM: Vinamilk sees record quarterly revenue in Q3

↓ -1.12%

Its Q3 consolidated after-tax profit edged up 3.4 per cent from a year earlier to over VND2.96 trillion.

However, consolidated profit margin reached 42.9 per cent, a slight decrease against the first half of the year, largely due to surging prices of input materials caused by global supply chain disruption and anti-dumping taxes imposed on some materials.

The company's revenue from exports topped VND1.55 trillion, equivalent to last year's figure.

Its consolidated revenue and post-tax profit totalled nearly VND45.18 trillion and VND8.42 trillion, respectively, in the first nine months of this year, representing 73-75 per cent of the yearly plan.

Vinamilk has been running a network of 17 dairy factories both in Viet Nam and overseas, and 15 dairy farms with a total of close to 160,000 milch cows.

9. LPB: Vietnamese company seeks full divestment from LienVietPostBank

↑ 6.78%

The transaction is scheduled to take place between Nov. 4 and Dec. 3 through order matching and put-through orders.

With the LienVietPostBank (LPB) share trading at VND21,150 (\$0.9) on Nov. 1, down nearly 30 percent against June. 3, Thaiholdings will get nearly VND474 billion if it successfully sells all the shares.

In late October, State Securities Commission, Vietnam's stock market watchdog, fined Thaiholdings to the tune of VND260 million for buying over 145,000 LPB shares in May and selling nearly 720,000 LPB shares in June without

publicizing its plans regarding the two transactions in advance as stipulated.

Nguyen Duc Thuy, Thaiholdings' founder, is LienVietPostBank vice chairman, so the company is subject to publicize its planned share transactions.

Now, the founder of Thaiholdings has no positions in the company, merely owning a 24.5 percent stake in the firm.

LienVietPostBank reported pre-tax profits of over VND2.8 trillion in the first nine months of this year, posting a year-on-year surge of 60 percent. Its total assets stood at more than VND254 trillion.

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