



VIETNAM DAILY NEWS



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Market Analysis

1. Shares finish higher, bolstered by rubber and securities stocks

Viet Nam's stock market had a good start on Monday, bolstered by strong gains in many stock groups including securities and rubber production.

The market benchmark VN-Index on the Ho Chi Minh Stock Exchange (HoSE) gained 0.76 per cent to end at 1,467.57 points.

The market's liquidity was positive with 288 stocks rising, while 174 slid.

Investors poured over VND31.4 trillion (US\$1.38 billion) into the southern exchange, equivalent to a trading volume of 1 billion shares.

The 30 biggest stocks tracker VN30-Index rose 0.25 per cent, to end at 1,535.66 points. Seventeen in the VN30 basket climbed, while 12 decreased and one stayed flat.

Gainers in the VN-30 group included SSI Securities Inc (SSI) with a gain of over 3 per cent, Masan Group (MSN) up by nearly 3 per cent. Vinamilk (VNM), The Viet Nam Rubber Group (GVR), Viet Nam National Petroleum Group (Petrolimex, PLX), Vietjet (VJC), HDBank (HDB) and Sabeco (SAB) were among those that gained more than 1 per cent.

On the other side, Vincom Retail (VRE) and VPBank (VPB) fell slightly more than 1 per cent.

Rubber stocks attracted cash flow in the session, supporting the market's bullish sentiment. Gainers in the sector were Danang Rubber Joint Stock Company (DRC), The Southern Rubber Industry JSC (CSM) and Sao Vang Rubber Joint Stock Company (SRC), rising by 5.44 per cent, 3.37 per cent and 2.87 per cent, respectively.

Securities stocks outperformed as there were no losers in the sector. Petrovietnam Securities Incorporated (PSI), Guotai Junan Securities (Vietnam) Corp (IVS), Viet Nam Bank For Industry & Trade Securities JSC (CTS) and VIX Securities Joint Stock Company (VIX) all hit the ceiling prices.

Other notable gainers included SSI Securities Inc (SSI), increasing by more than 3 per cent, VNDirect Securities Co (VND) up 5 per cent, Viet Capital Inc (VCI), Saigon-Hanoi Securities Co (SHS) both advanced more than 1 per cent.

“At the beginning of today, VN-Index gained more than 8 points with high liquidity. However, the profit-taking pressure at the high price area then made the index stay flat throughout the morning. In the afternoon session, the market struggled, finally closing up 11 points compared to the previous session,” said BIDV Securities Co.

“Market breadth tilted to the positive side. Regarding the transactions of foreign investors, today they were net buyers on both HSX and HNX. The market trend may still maintain a positive movement as the cash flow is still supporting the market's uptrend,” it said.

Foreign investors net bought VND504.32 billion on HOSE. They were net buyers on HNX with the value of VND9.57 billion.

On the Ha Noi Stock Exchange (HNX), the HNX-Index gained 1.04 per cent to 432.10 points.

During the trading session, more than 159.4 million shares were traded on HNX, worth nearly VND3.9 trillion.

Macro & Policies

2. Domestic demand for gasoline to recover in fourth quarter

The demand for gasoline in the domestic market in the fourth quarter of this year will recover compared to the previous quarters but will be lower than the same period last year, the Viet Nam Oil and Gas Group (PVN) forecast.

Accordingly, gasoline consumption demand is expected to recover, but still decrease by 30 per cent over the same period last year; demand for diesel oil will recover but still decline by about 16 per cent year-on-year.

PVN also said that in the fourth quarter of this year, international organisations such as the US Energy Information Administration (EIA), Reuters Thompson forecasted that the world average oil price would be around US\$75 per barrel.

Market demand will be better in the last months of the year and the demand shortfall could be at 1 million barrels per day.

The group said that the COVID-19 pandemic has strongly affected domestic gasoline consumption in the nine months of the year.

The amount of traffic on the road decreased by 60 per cent compared to the normal level in Viet Nam from May to September.

In the Mekong Delta region, where the market accounts for about 20 per cent of the total petroleum

consumption of the country, fell by 80 per cent during the social distancing period.

Therefore, the national petroleum inventories were at a high level at the end of July and the beginning of August; in which the inventory of Nghi Son Refinery is at 80-90 per cent of both gasoline and diesel oil, equivalent to about 260,000 – 280,000sq.m, and over 70 per cent for 95 petrol at Dung Quat Oil Refinery.

Also in July and August, the market's discount remained at a high level when it increased from VND1,500 litre to about VND2,000 per litre, showing that sales are facing a lot of difficulties.

For efficient production and business operations, PVN continues to build a synchronous data system from upstream, midstream, downstream at home and abroad as well as along the value chain to be able to ensure input for market forecasts.

In addition, PVN has also increased the use and application of modern tools for forecasting; built and completed a team of in-depth forecasters for each field; strengthened information connection with forecasting organisations, domestic and foreign energy companies.

Especially, from these baseline forecasts, PVN will develop oil price scenarios and mechanisms to implement these scenarios, especially in the short term to actively exploit oil and gas most effectively.

3. Viet Nam needs some \$17.65b to upgrade airports by 2030

Viet Nam is looking to spend VND400 trillion (US\$17.65 billion) on upgrades to its airports from now until 2030, according to a proposal that the Ministry of Transport has submitted to the Government.

The country's top priorities included the Noi Bai International Airport in capital city Ha Noi, the Tan Son Nhat International Airport in the southern economic hub HCM City and the under-construction Long Thanh International Airport in Dong Nai

Province (located some 40km to the east of HCM City).

In addition, 22 other airports across the country are to receive major upgrades while six new airports are to be built with an objective to bring Viet Nam's airport capacity to 278 million passengers a year, with 95 per cent of the population within a 100km radius of an airport.

The upgrades consist of advanced flight traffic management systems, maintenance hubs, logistics and pilot training centres.

The VND400 trillion budget accounted for almost a quarter of the entire industry's investment by 2030, which is made up of money from the State budget and other sources of funding.

By the end of 2030, the country is to operate a network of 28 airports with Ha Noi and HCM City as two main transport hubs. The list of airports to receive infrastructure upgrades by then included international terminals Van Don, Cat Bi, Noi Bai, Tho Xuan, Vinh, Phu Bai, Da Nang, Chu Lai, Cam Ranh, Lien Khuong, Long Thanh, Tan Son Nhat, Can Tho and Phu Quoc and domestic terminals Lai Chau, Dien Bien, Sa Pa, Na San, Dong Hoi, Quang Tri, Phu Cat, Tuy Hoa, Pleiku, Buon Ma Thuot, Phan Thiet, Rach Gia, Ca Mau and Con Dao.

After 2030, the Hai Phong International Airport is to replace the old Cat Bi Airport in accordance to Prime Minister's Directive 640/2011/QD-TTg.

Meanwhile, surveys and studies on large islands such as Ly Son and Phu Quy are to be continued to assess whether the country should construct additional airports on said islands.

In another report, the ministry said by 2050 the capital city Ha Noi may require another airport to support the existing Noi Bai International Airport.

The ministry highlighted the importance of a number of key projects including the constructions of the Long Thanh International Airport (25 million capacity a year once finished), T3 Terminal of the Tan Son Nhat International Airport (to bring the airport's capacity to 20 million passengers a year once finished) and the expansion of T2 Terminal of the Noi Bai International Airport (15 million passengers a year).

A number of key policies related to the management of the country's airports are due to go under extensive reviews in an attempt to optimise their ability to generate income and maximise efficiency. Policymakers have said the country encourage the private sector to invest in airport infrastructure development and operation.

4. HCM City export businesses gradually return to normal

Export companies in HCM City are recovering well following the lifting of COVID-19 restrictions as workers from other provinces gradually return to work.

Tran Thanh Son, a manager at Song Ngoc Garment Co., Ltd, said his company decided to invest in an additional production line to help meet US orders after nearly four months of suspended production.

It has orders from the US for until April next year, he said.

Chu Tien Dung, the HCM City Union of Business Associations chairman, said companies have worked with their employees and partners to speed up production to fulfil order backlogs and accept new orders.

Nguyen Van Be, chairman of the HCM City Export Processing Zone and Industrial Park Authority Business Association (HBA), said 1,500 companies,

500 foreign-owned, in the city's industrial parks and export processing zones have resumed operations, with 60 per cent going back to more than 80 per cent capacity.

"Walking around the factories, we realised that the city's decision to 'live with the pandemic' has proven effective."

For instance, a company that used to stop production when workers were found infected, has in the past 15 days found 20 infections, but, with support from authorities, disinfected the factory, sent the infected workers to medical facilities for treatment and continued production, he said.

According to the HCM City Export Processing Zone and Industrial Park Authority (HEPZA), nearly 216,000 out of 288,000 workers at industrial parks and export processing zones have returned to work, and many of the companies are operating at 95 per cent capacity.

Companies in labour-intensive sectors such as textile and garment and footwear are now basically back to normal.

Dr Tran Du Lich, a member of the National Assembly Economic Committee, said for companies to get up to speed needs Government financial support and simplification of procedures for them to access the funding.

The HCM City Department of Industry and Trade said it would offer a credit support package worth VND70 trillion (US\$3.07 billion) this year to help businesses access preferential loans and resume production.

The State Bank of Viet Nam's HCM City branch said banks would provide credit to businesses at supportive interest rates this quarter.

Nguyen Hoang Minh, its deputy director, said his office took measures to mitigate the difficulties faced by businesses in line with directions from the central bank and the city People's Committee.

Demand for funds increases normally at the end of the year, but there would be no shortage, he assured.

The banking industry is committed to ensuring sufficient loans at preferential interest rates to help businesses revive production and trading, he said.

The industry has become a reliable partner for businesses, implementing a number of policies to enable them to overcome difficulties caused by the pandemic, including debt restructuring, waiver and reduction of interest and fees and preferential loans to supporting industries and those that use technology, he added.

5. Cement companies' profit poor in Q3 despite higher prices, better sales

Although sales are positive, rising input costs are weighing on cement enterprises' business results in the third quarter.

In the first nine months of 2021, the whole cement industry exported 32,687 million tonnes of cement and clinker, with an export turnover of US\$1.25 trillion, up 16.3 per cent year-on-year and 20.9 per cent, respectively, according to the Ministry of Industry and Trade.

In August and September, Viet Nam exported 4 - 4.3 million tonnes of cement each month, a sharp increase compared to the volume of 3.5 million tonnes in July and 2.77 million tonnes in June. The third quarter was also the peak period of the COVID-19 outbreak in the country.

Luong Duc Long, General Secretary of the Viet Nam Cement Association (VNCA) said that cement exports rose sharply in the past two months because major export markets such as the European Union (EU), Canada, US and China have returned to normal operation. Therefore demand for cement increased, while product prices also inched higher.

Currently, Viet Nam is fifth biggest cement producer in the world, after China, India, US and Russia.

The rise in cement exports offset a decline of 5 per cent in domestic consumption in recent months as many provinces and cities implemented social distancing orders to prevent the pandemic. For the first nine months, cement consumption was unchanged over the same period last year at 45.58 million tonnes.

With an advantage of having a long coastline and many ports, Vietnamese cement exports are growing positively, especially to China.

Meanwhile China, the biggest consumer in the world, is facing an energy crisis, leading to production restrictions of some large power consuming industries such as steel and cement.

VNDirect Securities Corporation said that steel and cement inventories in China are at the lowest level since the beginning of the year, while selling prices climb. China is experiencing a temporary shortage of construction material supplies and the trend will last at least until the end of the fourth quarter of 2021 as China's energy crisis shows no sign of ending.

With export momentum in the past nine months, the Ministry of Industry and Trade expected that the

total export volume of cement and clinker will exceed 40 million tonnes this year.

In the domestic market, consumption volume is forecast to increase sharply in the last quarter of the year, as construction projects resume after many months of closure or operating in moderation to ensure disease prevention.

The end of the year is also the peak of the construction season, leading to an increase in cement consumption. In addition, as the Government pushes disbursement of public investment capital, the construction materials industries, including cement, will benefit.

Higher sales don't translate to higher profit

Cement is one of a few industries that still can maintain production and consumption during the outbreak of the pandemic. However the profit picture of enterprises in the industry is not so bright.

Viet Nam Cement Industry Corporation (VICEM) said that its profit before tax in the third quarter only reached 3 per cent of the quarterly plan, equaling 2.4 per cent over last year. The parent company's profit decreased by 62 per cent year-on-year, as subsidiaries posted losses of nearly VND80 billion.

Of which, in the last quarter business statement, Vicem But Son Cement JSC (BTS) reported a fall of 14.6 per cent to VND657.3 billion, resulting in a loss of VND7.6 billion. In the same period last year, it recorded a profit of VND12.4 billion. For the first nine months, its revenue was VND2.1 trillion, down 5.7 per cent, while profit after tax slid 47.2 per cent to nearly VND25.1 billion.

Similarly, in the third quarter, Vicem Hai Van Cement JSC (HVX)'s revenue fell 5.9 per cent over last year to VND152.8 billion, while it lost VND1.2 billion. In the third quarter last year, it recorded a net profit of VND798.7 million.

As of September 30, the company only made a profit of VND404.9 million, down 90 per cent over the same period last year.

Ha Tien 1 Cement (HT1) announced its third quarter consolidated net revenue of VND1.04 trillion, down

48 per cent, with a loss of VND19.7 billion. This marked the first quarterly loss in the past seven years. In the third quarter of 2020, it made a profit of VND148.6 billion.

For the first nine months of 2021, HT1 recorded net revenue of VND5.04 trillion and profit after tax of nearly VND316.7 billion, down 14.1 per cent and 45.8 per cent, respectively.

Vietcombank Securities Company (VBSC) said that the country's clinker/cement export structure is 63 per cent/37 per cent, so the export value is not high. Therefore, the increase in cement exports doesn't translate into higher profit.

Meanwhile, the price of raw materials, fuel and input materials for cement production jumped sharply in recent years. The disruption of global production and supply chains amid the pandemic has pushed up prices of basic commodities.

A coal industry analysis report of SSI Securities Company said that the global coal price has risen strongly compared to the domestic coal price, therefore, industries with a high ratio of imported coal like cement will suffer the most from higher production costs.

Of the production cost structure of cement enterprises, the cost of coal accounts for about 30 per cent, while limestone and clay account for only 12 per cent, and additive costs are 5 per cent.

Therefore, even though selling prices have risen since the beginning of the year, cement companies still reported losses, or reduced profits over the same period last year.

6. Germany becomes biggest market for Vietnamese coffee

Coffee exports in the first nine months of this year decreased in volume but increased in turnover, with Germany being the largest market for the product.

According to the Viet Nam Industry and Trade Information Centre, the country shipped 1.18 million tonnes of coffee overseas for US\$2.23 billion, down 5.4 per cent in quantity but up 3.4 per cent in turnover and 9.2 per cent in price annually.

The lion's share of the total export volume, at 181,014 tonnes, was sold to Germany, reeling in \$319.52 million. The figures represented a decrease

of 1 per cent and an increase of 13.8 per cent from the same period last year, respectively.

The US was the second biggest market of Vietnamese coffee between January and September, spending \$189.42 million on 96,472 tonnes, dropping by 13.9 per cent and 5 per cent year-on-year, respectively.

The amount of coffee exported to Italy during the period, meanwhile, reached 100,464 tonnes, reeling in \$171.82 million. These meant annual decreases of 11.9 per cent and 4 per cent, respectively.

7. Traceability of goods key to enhancing Vietnamese products

The traceability of goods, including transparency on origin, is key to building consumer trust and expanding Vietnamese goods in foreign markets, said Đinh Hoàng Linh, Deputy General Director of the General Department of Standards, Metrology and Quality.

Linh made these comments during a recent seminar held by the Ministry of Science and Technology and the Ministry of Agriculture and Rural Development in Hà Nội.

Improving traceability will make consumers feel safe using products with clear origin and guaranteed quality. It will also prevent commercial fraud and improve the brand value of Vietnamese products, according to Linh.

He said that the traceability of products and goods for export, especially agricultural products, helps stakeholders to trace information about products quickly and accurately. International markets have very strict traceability rules for goods in both production and trade, criteria that Vietnamese businesses must meet to trade abroad.

Nguyễn Vũ Trung, an expert from the Agro-Forestry-Fisheries Quality Management Department, acknowledged that the application of a traceability system will increase costs for businesses, but the benefits outweigh the disadvantages.

A traceability system helps manage product quality, from farming and processing to preservation, transportation, delivery and distribution. It makes it easier to detect if something goes wrong and allows for precise, rather than blanket, product recalls.

However, Nguyễn Thị Thành Thực, a member of the Executive Committee of the Việt Nam Digital Agriculture Association, said improving traceability faces some difficulties.

State management agencies do not yet have strict sanctions that deal with violations. The management of goods circulation is not strict enough, allowing violations in the planting area codes and packaging facility codes, particularly in agricultural products. Among officials, awareness and understanding of traceability are low, Thực said.

In response, the Plant Protection Department will build a team of lecturers to educate on planting area codes and packing facilities. The programme will focus on building codes for planting areas, said Nguyễn Quang Hiếu, Head of the International Cooperation Office of the Department of Plant Protection.

The agency will work with importers to deal with violations, restore suspended codes and expand requirements for planting areas and packing facilities.

The department will also focus on organising training courses for local technical staff, businesses

and people, applying information technology to management, Hiếu said.

Corporate News

8. AGR: Board resolution on signing contracts with Agribank

↑ 2.86%

On November 04, 2021, the Board of Directors of Agribank Securities Corporation (HOSE: AGR) approved the policy on signing contracts on consulting, issue agent, registration agent,

depository and settlement agent for a bond issue of Vietnam Bank for Agriculture and Rural Development (Agribank) in 2021 with the estimated issue value of VND2,000 billion.

9. MSN: Record date for the 3rd interest payment of MSN12005

↑ 2.84%

MaSan Group Corporation announces the record date for the 3rd interest payment of MSN12005 Bond as follows:

- Bond name: BondMSN042023
- Bond code: MSN12005
- Securities type: corporate bond
- Par value: VND100,000
- Exchange floor: HOSE
- Record date: November 22, 2021
- Purpose: to make the 3rd interest payment (from and including June 05, 2021 to and excluding December 05, 2021) of MSN12005- Payment ratio: 8.075%/year

- Payment amount: VND4,048.562/bond
- Payment date: December 06, 2021 (because December 05, 2021 is not a business day)
- Place of payment:
 - + For the bondholders whose bonds have been deposited, they will fulfill procedure to receive interest at the securities firms where the bonds have been deposited.
 - + For the bondholders whose bonds have not been deposited, the bond interest will be paid to their accounts as registered with Techcom Securities Joint Stock Company on December 06, 2021.

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