



VIETNAM DAILY NEWS



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Market Analysis

1. VN-Index drops near historic peak

The index stayed in the green most of the day but closed six points lower due to a large number of selling orders in the last hour of trading.

Trading value on the Ho Chi Minh Stock Exchange (HoSE), on which the index is based, surged 34 percent to VN34.93 trillion (\$1.54 billion), the highest in the last five sessions.

The VN30 basket, comprising the 30 largest capped stocks, saw 23 tickers in the red, led by GAS of state-owned Petrovietnam Gas, down 3.1 percent to a three-week low.

HPG of steelmaker Hoa Phat Group closed in the red for the fourth session in a row, falling 2.8 percent to the lowest since Sep. 1.

ACB of Asia Commercial Bank dropped 2.4 percent to a three-week low, while VPB of private lender VPBank lost 2.1 percent to the lowest since Oct. 6.

VIC of biggest private conglomerate Vingroup lost 1.9 percent as its subsidiary VinFast launched two electric cars at Los Angeles Auto Show 2021.

Meanwhile, SSI of leading brokerage SSI Securities Corporation surged 7 percent after announcing it would issue rights to shareholders to buy more stocks.

POW of electricity producer Petrovietnam Power Corporation closed 3.5 percent higher. It is now at its highest since June 2019.

Foreign investors were net sellers for the second session to the tune of VND472 billion. They focused on selling SSI and HPG.

The HNX-Index for stocks on the Hanoi Stock Exchange, home to mid and small caps, rose 1.25 percent, while the UPCoM-Index for the Unlisted Public Companies Market gained 1.17 percent.

Macro & Policies

2. Businesses in HCM City, neighbouring places recovering as restrictions ease

Businesses in the south, including HCM City, are recovering production and business quickly after remaining closed for more than 4 months due to COVID-19 restrictions.

In October, Mobile World Investment Corporation's net revenues increased by 38 per cent year-on-year and 45 per cent over September to VNĐ12 trillion (US\$515 million).

The company's chairman, Nguyễn Đức Tài, said it was the highest ever monthly sales.

Phú Nhuận Jewelry Joint Stock Company's October sales rose by an estimated 12-15 per cent year-on-year, aided by several promotions.

PNJ targets net revenues of VNĐ21 trillion (\$910.09 million) and net profits of VNĐ1.23 trillion (\$53.3 million) this year, up 20 per cent and 15 per cent from last year, its chairwoman, Cao Thị Ngọc Dung, has said.

It plans to achieve this by improving its supply chain, quickly expanding its retail network, optimising all its stores, reducing costs, and improving the customer experience and market forecasting.

In October industrial production recovered well, with HCM City's index of industrial production (IIP) estimated to increase by 23.6 per cent from the previous month.

But it has not yet reached its level of a year earlier.

The IIP increase in October was largely driven by the resumption in production activities in HCMC and its surrounding industrial hubs.

The most dynamic subsectors included food and beverages, tobacco, garment and footwear, rubber and plastic products, metals, and furniture, all of which registered double digit month-on-month growth rates.

Nearly 96 per cent of enterprises in 17 processing and industrial zones in HCM City have resumed operations a month after social distancing was lifted, according to the HCM City Export Processing and Industrial Zones Authority.

More than 230,500 workers, or 80 per cent of the total number, have returned to work, with some factories reporting figures of 95-100 per cent.

3. Gold sets record high at \$2,746 per tael

Gold has been reported to reach a record high on Wednesday, selling at VND62.15 million per tael (0.0377kg) or US\$2,746.

The price hike seemed to apply to the domestic market as global prices only experienced a slight increase. In the afternoon, the price went down to VND61.85 million, marking a difference in price of VND11 million between global and domestic markets. As of Thursday morning, price has gone up to VND62.15 million per tael.

According to To Thanh Hiep, general director of Sacombank-SBJ, the price hike was a result of a surge in demand among Vietnamese buyers.

"Buyers face increased risk as the price in the domestic market is much much higher than of the global market," he said.

This is the highest price recorded for gold since August 2020.

4. Dong Nai Province remains attractive FDI destination despite COVID

Despite the prolonged COVID-19 pandemic, in the first 11 months of this year Dong Nai attracted nearly US\$1.1 billion in foreign direct investment, exceeding its target by well over half, according to the provincial Industrial Zones Authority.

Le Van Danh, deputy head of the agency, said the province attracted 46 new projects worth \$358.85 million while the rest went into 94 existing ones that increased their investment.

Most of the projects are in supporting and electronics industries, use modern technologies and are environment-friendly, as the province prefers.

Attracting FDI is a key aspect of Dong Nai Province's socio-economic development strategy, according to its People's Committee.

A preferred destination for foreign investors in the south-eastern region, the province has taken a number of concrete measures to attract them, with priority given to projects that use high technology, are environment-friendly and less labour-intensive and manufacture competitive products.

It plans to speed up investment to improve its infrastructure, skill its workforce and modernise

technology in addition to strengthening administrative reform to increase its competitiveness as an investment destination.

It offers favourable conditions and end-to-end support to investors, Danh said.

It has speeded up administrative reform to streamline processing of investment procedures, he said.

Better co-ordination among official agencies also helps investors address issues related to administrative procedures, he said.

New industrial parks are planned to be built in Xuan Loc, Dinh Quan, Vinh Cuu, Thong Nhat, and Tan Phu districts and Long Khanh Town, he said.

Many large companies are expected to invest in the province, he added.

Of 47 countries and territories investing in the province, Taiwan (China), South Korea, Japan, ASEAN member countries, Europe, and America are the leaders.

5. E-commerce helps boost domestic market, exports: experts

The national plan for e-commerce development in the 2021-25 period aims to turn e-commerce into one of the pioneering areas of the digital economy, helping enhance the competitiveness of businesses and promoting the growth of both the domestic market and exports, according to Deputy Minister of Industry and Trade Nguyen Sinh Nhat Tan.

Speaking at a seminar in Ha Noi on Wednesday on market development for e-commerce firms in the digital transformation era, Tan said that digital transformation will help Vietnamese businesses, especially small and medium-sized enterprises, seek a more flexible business model, saving costs and optimising resources to overcome difficulties.

Over the years, Viet Nam has continuously recorded strong growth in the ratio of Internet users as well

as the number of online shoppers, he said, noting that the value of online shopping through e-commerce platforms has risen sharply in the past five years. The figure increased from US\$5 billion in 2016 to over \$10 billion in 2019 and \$11.8 billion in 2020.

Notably, from the beginning of the pandemic to mid-2021, Viet Nam had seen an additional 8 million digital technology consumers, 55 per cent of whom were not from big cities. Furthermore, 99 per cent of Vietnamese digital technology consumers said that they will continue to use online services in the future, showing the close ties between Vietnamese consumers and digital services and products.

At the event, many experts said that Viet Nam remains an attractive innovation centre when global

capital resources have continued to flow to the country. The value of trade and investment deals surged to a record \$1.37 billion in the first half of 2021. They held that e-commerce market has become a popular business model of businesses, which has a strong spreading capacity in the community. Particularly, amid the COVID-19 pandemic, e-commerce has enabled businesses to make transactions with customers in a safe manner.

They agreed that e-commerce will be a new shopping trend with impressive growth. This is a good chance for businesses to serve customers at anytime and anywhere, bringing better experiences to consumers, they added.

6. Digital transformation to create new growth engine for Viet Nam's agriculture

As digital transformation will help overcome most of the weaknesses faced by the local agriculture sector, it should be considered a breakthrough solution for sustainable growth and development in Viet Nam.

The idea was shared among 300 attendees at a meeting on digital transformation in agriculture and rural areas under the Viet Nam Industry 4.0 Summit in Ha Noi on November 17.

Le Vu Minh from FPT Corporation, told the online meeting, held by the Economic Committee of Vietnam and the Ministry of Agriculture and Rural Development, that Viet Nam has many agricultural products ranked top in terms of output, such as rice and coffee, but in terms of value per volume and productivity per production unit, the position of Vietnamese products are far behind other countries.

Minh said: “It is time to develop the growth and value of the agricultural industry, making them no longer rely on output, but rather on production with digital transformation as a supporting position for the economy.”

He said the digital transformation strategy in agriculture was a long way away in terms of cooperation between businesses and state management agencies, adding: “First of all, the country can start with traceability for agricultural products, transparency of information in production, creating trust for consumers as a commitment to product quality.”

Attending the meeting, Azizz Elbehri, senior expert of the Food and Agriculture Organization United Nations (FAO), introduced the initiative of 1,000 smart digital villages that have been deployed in the Asia-Pacific region.

In this initiative, the governments of the countries build a digital technology ecosystem to create smart villages with internet access, improving the level of IT, digital technology and stimulating demand for digital services, improving the lives of people in rural areas.

Azizz Elbehri said in Viet Nam, FAO is coordinating with the Institute of Policy and Strategy for Rural Development to closely follow the national digital transformation strategy in association with the smart digital village project, providing translation products and digital services for people in the military and districts and creating an environment to develop digital services for rural areas.

Building transparent agriculture in terms of data

Deputy Minister of Agriculture and Rural Development Phung Duc Tien said that the agricultural industry was transforming from traditional to digital, using the internet to collect data, using management software for farm work and optimising the use of agricultural resources such as water and fertiliser.

Tien said currently, the horticulture industry is using software to analyse data about the environment, the growth stage of the plant, allowing access and monitoring of these parameters in real time. The livestock industry is applying blockchain biotechnology in large-scale farms, adding that some large enterprises such as VinEco, Hoang Anh Gia Lai, Nafod and Dabaco have applied high technology in production, distribution and consumption of products.

Tien estimated that more than 2,200 cooperatives, accounting for 12 per cent of cooperatives across

Viet Nam, have applied digital technology in agricultural production.

"We are focusing on digital transformation in the agricultural industry, considering it a breakthrough solution to create a new driving force for growth and development of the industry with a focus on building a data- and information-transparent agriculture that is responsible to the producer and the consumers," Tien said.

At the same meeting, Nguyen Duy Hung, deputy head of the Central Economic Commission, said to develop hi-tech and smart agriculture, Viet Nam must build a large database incorporating information on land, environment, cultivation, husbandry, fisheries and weather. It must also foster the automation of production, business environment, e-commerce, planning management and market forecasting.

Hung said: "Through surveying many agricultural production models, digital transformation is a solution to help them closely manage input materials, save costs and increase profits."

Hung considered transformation as an effective solution to overcome inherent weaknesses such as small, fragmented and unconnected production.

Despite the advantages, Hung said many experts found that the local agriculture sector and rural areas did not have a digital platform or a comprehensive digital connection chain. They suffered a lack of a large database for production, a lack of connection and information sharing at all stages of production, management, logistics, and trade in agricultural products.

Hung said the committee would absorb all the comments as a basis to develop and propose programmes, plans and strategies to implement digital transformation in agriculture and rural areas, adding it would renovate mechanisms and policies to maximise the participation of the private sector in investment, scientific and technological research and development of technological services in agriculture and rural areas.

7. Prices increase despite pandemic restrictions easing

While most manufacturing enterprises resumed operations as pandemic restrictions were eased, significant challenges remain because of the rising cost of gasoline and raw materials. The price of consumer goods is expected to increase sharply as a result.

Dang Thi Phuong Ninh, Director of Duyen Hai Economic Development Company (Cofidec), told local media: "Every commodity has increased in price, in which, cooking oil is the ingredient with the highest increase, about 30 per cent higher compared to the same period in 2020 and is expected to increase even higher."

Ninh said prices of raw materials and accessories have increased since early this year and look set to continue to rise.

According to experts, the increasing cost of gasoline and raw materials will put great pressure on consumer spending, and a great burden on

businesses, especially in the context of restoring production after a long time of social distancing.

Ninh said the company is facing difficulties in hiring more workers to meet demand, adding that the "high cost of accessories is now the biggest concern."

As director of Vnflour Co, a firm that produces and supplies flour for brands such as Vifon, Thien Huong Food and CP Food, Nguyen Tran Ngoc Trinh said increasing gasoline and raw materials prices were greatly affecting production since pandemic restrictions have been eased.

Trinh said: "The price of wheat has increased by 30-40 per cent, sometimes even up to 50 per cent, compared to before so we are forced to change the price of raw materials provided to food enterprises."

Trinh is concerned that the sharp increase in raw material prices would affect product prices in the near future.

Nguyen Thi Thao Vien, Human Resources Director of CJ Food Viet Nam, said the firm was facing the same issue of rising prices but would try to keep prices stable to share difficulties with consumers. She said: "We cannot increase selling prices in the context of people's incomes plummeting."

Pham Thi Huan, general director of Ba Huan Co, the biggest egg provider in Viet Nam, said: "Currently, while the input costs are increasing by 20-30 per cent, the purchasing power is weak because schools have not opened yet and businesses in industrial zones have not yet come back to their full activities."

Though the egg firm has not yet raised prices, Huan said: "We hope that purchasing power will increase so that we can keep prices unchanged but if the demand is too low in such situation, we will have to increase prices."

The food industry is not the only one seeing a rise in prices for raw materials; steel, wood and other enterprises are suffering the same. Nguyen Chanh Phuong, vice president and general secretary of HCM City Fine Arts and Woodworking Association (HAWA), said most materials have seen prices increase.

He said: "The price of paint products increased quickly due to the influence of gasoline and oil prices. From October to November, each week they have increased by 5 per cent."

He added that businesses have to adjust prices, but it is not always easy as they have agreed fixed prices with customers.

Phuong said: "As there are many orders to be finished, firms are concerned about the high

production costs. Others are concerned about taking new orders because of the cost."

Phuong said firms must renegotiate prices with their customers and look for cheaper suppliers to save costs.

The price of essential items has increased by 10-30 per cent, and food and beverage service prices have also increased by 10-15 per cent.

According to the market prices, a bottle of one-litre cooking oil has increased from VND3,000 to VND5,000, or an increase of 15 per cent from the prices listed in May. Vegetables, fruits and fresh foods also increased by three and four times compared to July.

An Aeon Viet Nam representative said the increase in prices will affect small retailers and markets first. Big supermarkets, with advanced contracts, can better control the prices.

The Viet Nam Institute for Economic and Policy Research (VEPR) forecasts that inflation pressure will increase in the last months of the year due to the sharp increases in producing prices, adding that this pressure will gradually be transferred to consumer prices.

Around the world, inflation rates have skyrocketed, according to Bloomberg. The media said consumer prices in the US rose at their fastest pace since 1990. Chinese and Japanese producer price indexes fared better than expected and Germany, as the world's fourth largest economy, was no exception.

Corporate News

8. SSI: SSI set to increase charter capital to \$662.27 million with rights issue

↑ 6.98%

The issue expects to raise VND4.97 trillion (US\$219.5 million), increasing the company's charter capital to nearly VND15 trillion (\$662.27 million) to maintain its position as the country's largest securities company.

An SSI spokesperson said the funds would supplement working capital and improve the company's underwriting, investment and margin lending capacity.

Money not deployed for margin lending would be used to invest in bonds and certificates of deposit, she said.

In addition to continuing to develop core businesses by building and training a team of professional financial advisors and investing in technology infrastructure to better serve and attract more local and foreign customers, SSI would also go on with its training programmes for new investors in a professional manner, she added.

9. MSH: MSH - Song Hong Gament Joint Stock Company pays cash dividend in interim 1, 2021 with the ratio of 45.00%

↑ 1.37%

Ticker MSH - Song Hong Gament Joint Stock Company pays cash dividend in interim 1, 2021 with the ratio of 45.00%

Song Hong Gament Joint Stock Company (ticker: MSH) announces -- as record-date for cash dividend in the interim 1, 2021 with the ratio of 45.00% (4,500 dong per share). The payment is planned on --.

The company has 50.01 million outstanding shares of Song Hong Gament Joint Stock Company. As a result, the company is going to pay 225.04 billion dong for the shareholders.

In 2020, Song Hong Gament Joint Stock Company generated 3,813.41 billion dong in revenue and 231.81 billion dong in net profit, increasing - 13.55% and -48.47% compared to figures in same period of previous year, respectively.

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