



VIETNAM DAILY NEWS



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Market Analysis

1. Shares gain on strong buying force

Shares rose on Tuesday as stocks across all sectors witnessed strong buying force.

On the Ho Chi Minh Stock Exchange (HoSE), the market benchmark VN-Index gained 2.35 per cent to end at 1,446.77 points.

The market's breadth was positive with 396 gainers and 67 losers.

As many as 766 million shares were traded on the southern bourse, worth nearly VND21.7 trillion (US\$940.2 million).

The VN30-Index, tracking the 30 biggest stocks on HoSE, gained 2.14 per cent, to end at 1,512.62 points. All 30 out of 30 stocks in the VN30 basket posted gains.

The banking group outperformed and supported the gains of the market with notable gainers including Vietinbank (CTG), Tien Phong Bank (TPB), VPBank (VPB), Vietcombank (VCB), Military Bank (MBB), Sacombank (STB), Eximbank (EIB) and Bank for Investment and Development of Vietnam (BID).

Real estate and construction stocks witnessed a dramatic gain in prices as a series of large-cap stocks soared such as Kinh Bac City Development Holding Corporation (KBC), Ha Do Group JSC (HDG), Nam Long Group (NLG), Hoa Binh Construction Group Joint Stock Company (HBC) and Viglacera Corporation - JSC (VGC), LDG Investment JSC (LDG), Tan Tao Investment and Industry Corporation (ITA), Hoang Quan

Consulting-Trading-Service Real Estate Corporation (HQC), Thu Duc Housing Development Corporation (TDH), Van Phat Hung Corporation (VPH), Licogi 16 Joint Stock Company (LCG) and FECON CORPORATION (FCN).

Securities stocks also soared at the end of the session, namely Asia - Pacific Securities Joint Stock Company (APS), Viet Nam Bank For Industry & Trade Securities JSC (CTS), VNDirect Securities Co (VND), Bank for Investment & Development of Vietnam Securities Company (BSI) and VIX Securities Joint Stock Company (VIX).

Financial news site cafef.vn attributed the positive performance to the supportive information in the market.

The number of newly opened accounts in November totalled 220,000, an all-time record since the inception of the Vietnamese stock market.

The healthy macroeconomic environment and controlled inflation is also a supportive factor. Mirae Asset Securities (MAS) in its stock outlook report for 2022 forecasts that Viet Nam's GDP will grow by 4 per cent in the fourth quarter and 2.3 per cent in 2021.

On the Ha Noi Stock Exchange (HNX), the HNX-Index rose 2.42 per cent, to 446.41 points.

During the session, investors poured over VND3 trillion into the market, equivalent to a trading volume of 105 million shares.

Macro & Policies

2. Ministry ensures balance of goods supply and demand for Tet

The Ministry of Industry and Trade plans on ensuring goods supply according to the varying pandemic development, even preparing for the possibility of a large-scale outbreak of COVID-19 over Tet (Lunar New Year).

Currently, the pandemic is developing in complex fashion across many localities nationwide.

Departments are requested to monitor the supply and demand of goods, especially essential items, ensuring goods supply and stabilising the market at year-end, according to the ministry's Department of Domestic Market.

At present, localities are also developing market stabilisation programmes and directing producers, traders and distributors to stock up on goods, stabilising the market until the Lunar New Year 2022, said Tran Duy Dong, director of the Domestic Market Department.

Tran Thi Phuong Lan, acting director of the Ha Noi Department of Industry and Trade, said in case of a pandemic outbreak in the capital city, the department had 2,500 places to store goods and convert into points of selling for essential goods.

Deputy Minister of Industry and Trade Do Thang Hai said that the ministry supported enterprises and localities in the connection of supply and demand to promote consumption of goods for businesses and trade promotion, stabilising the market on holidays and Tet.

Meanwhile, the departments of industry and trade of provinces and cities were asked to support businesses to recover production and business after pandemic outbreaks.

The departments are also requested to urge businesses to implement domestic trade promotion and consumption stimulus programmes.

The departments needed to create favourable conditions for businesses participating in the

departments' goods stabilisation programmes to expand the distribution network of goods to industrial parks, suburban districts, remote areas, seas and islands. This will enhance stable goods supply for people on low and middle incomes.

However, according to the Department of Domestic Market, the purchasing power of goods by year-end is expected to not increase compared to the same period last year due to the pandemic.

The income of most people has been reduced due to the pandemic so consumption on the domestic market is mainly for food and essential goods to serve the daily needs and the Lunar New Year festival in 2022, said Dong.

Ta Thi Minh Hop, supply director of VinMart/VinMart+ retail system, said that the purchasing power of goods for the Lunar New Year 2022 would decrease slightly year on year.

The pandemic has been reducing people's income and unemployment is high, leading to customers tightening their spending.

"The domestic consumers will tend to focus on basic items such as fresh goods, essential foods and some goods for Tet holiday such as confectionery, beer, soft drinks and wine," Hop told Voice of Vietnam.

"The VinMart/VinMart+ retail system has been working with major suppliers since September to order volume of all key products for the period from now until Tet festival.

"Its amount of goods for Tet is estimated to increase by 40-50 per cent compared to the average sale volume in normal days," said Hop.

"Retailers have increased their goods in stock by 20-30 per cent compared to normal days, so they will still meet consumer demand, and prices are expected to be stable," said Dong.

Nguyen Thai Dung, chairman of BRG Retail Co Ltd, said that his company had coordinated with suppliers to prepare goods for Tet with an increase in volume at 2-3 times compared to normal.

"From now until the Lunar New Year, the company will also carry out many year-end trade promotion activities to stimulate shopping demand with discounts up to 50 per cent and many attractive gifts," said Dung.

3. HCM City will not meet economic growth target due to fourth COVID wave

While HCM City is not expected to meet its economic growth target of 6 per cent for 2021 due to the impact of the fourth COVID wave, its budget revenue has exceeded the year's target.

Speaking at the fourth session of the 10th HCM City People's Council conference, Nguyen Thi Le, chairwoman of the People's Committee, said prolonged restriction measures had seriously affected HCM City's business and production as well as people's lives.

The city has seen negative yearly growth (minus 6.78 per cent) for the year.

"The Gross Regional Domestic Product (GRDP) is expected to drop by 5.06 per cent this year," she said.

After nearly two months of implementation of a government resolution on how to adapt to the pandemic, HCM City has controlled the spread of the coronavirus to a large extent and has started reopening its economy.

The city has achieved significant growth over the past five years. GRDP increased by an average of 6.41 per cent in the 2016-20 period, contributing more than 22.2 per cent of the country's economy, according to Le.

Budget revenue

Speaking at the event, Le Hoa Binh, vice chairman of the People's Committee, said the city's budget revenue is expected to reach more than VND370 trillion (US\$15.92 billion), or more than 101 per cent of the year's target.

The target for the city's 2021 budget revenue was VND365 trillion as assigned by the central Government, which means it should collect VND1 trillion (\$44 million) a day.

In recent years its budget revenue has accounted for 25 - 27 per cent of the country's total budget revenue, according to Binh.

The city lured more than \$5.8 billion worth of foreign direct investment (FDI) so far this year. The amount of remittances to the city was estimated at \$6.6 billion, up nearly 9 per cent over the same period last year, according to Binh.

The city has estimated its budget revenue to be more than VND386 trillion (\$16.66 billion) in 2022, an increase of 5.9 per cent compared to the estimate in 2021.

Recovery plan

Nguyen Van Nen, secretary of the city Party Committee, said the city would continue to support businesses and enforce pandemic prevention and control measures as part of its economic recovery plan for 2022.

The main tasks for 2022 should be to "adapt safely, and flexibly and effectively control the pandemic; improve the quality of urban government; support businesses; and improve the business climate," Nen said.

The year-end meeting will review the socio-economic situation in 2021 and its economic recovery plan for 2022 and over the next five years.

It will discuss matters related to budget revenue, urban planning, support for preschool children, and public and non-public high schools.

It will also discuss support for the elderly who live alone and orphaned children due to the COVID-19 pandemic, and policies on improving the capacity of grassroots healthcare.

The municipal People's Committee will report on the urban administration government model and investment environment in 2021.

The event will also include a Q and A session on the effectiveness of state management in urban planning.

The city in early October lifted most of its lockdown measures. It has allowed many businesses to operate but with a limited number of people.

The meeting will run until December 9.

4. VN-US trade top priority post-pandemic

Viet Nam considers the US among the most important and comprehensive trade partners, said deputy minister of industry and trade Do Thang Hai at the 2021 Viet Nam-US Trade Forum held yesterday in Ha Noi.

Hai said trade between the two countries, which grew from US\$450 million in 1995 to US\$90.8 billion in 2020, greatly benefited people and businesses on both sides. By the end of October, Viet Nam-US two-way trade reached \$89.6 billion with Viet Nam's exports at \$76.7 billion and imports at \$12.9 billion.

The US remained Viet Nam's largest export market while the Southeast Asian economy has climbed five places since 2020 to become the US' 9th largest trading partner.

Hai said the two economies being complementary in nature is the foundation for a harmonious, mutually beneficial and long-term trade relationship in the future. With full support from the two governments, businesses from Viet Nam and the US have been working closely to build a robust environment for investment and commerce activities, especially in industries and agriculture.

Investment from the US, in particular, has played an important part in Viet Nam's socio-economic development in recent years with major projects that help set up Viet Nam's position in the global supply chain. By the end of October this year, the US have invested \$9.72 billion in FDI in 1,100 projects and ranked 11 out of 138 of Viet Nam's investors with large brands including Exxon Mobil, Murphy Oil, Chevron, Boeing, Ford, Intel, Wal-Mart, Nike, Amazon and P&G all having a presence.

As the country becomes more open and integrated into the global economy, Viet Nam realises its fortune in becoming one of the region's biggest economies as well as among major world economies including the US.

"Cooperation between Viet Nam and the US, especially in the development of the digital economy, energy and infrastructure, have great potential for growth in the future," said the deputy minister.

US Embassy in Viet Nam's Charge d'Affaires Marie Damour said the US was committed to supporting Viet Nam in coping with climate change-related issues and building a dynamic economy, especially in the development of renewable energy, healthcare, electronics and airport infrastructure.

In order to further boost trade ties, Hai said both sides must rely on the 2007 Trade and Investment Framework Agreement to address issues related to trade protectionism to strengthen the supply chain and minimise the damage caused by the pandemic.

Bui Huy Son, Commercial Attache at Viet Nam Embassy in the US, said while the US economy had shown signs of recovery a disrupted supply chain had resulted in a shortage of goods. This was a good opportunity for Vietnamese firms to ramp up production for the US market.

Virginia Foote, vice president of the American Chamber of Commerce in Viet Nam, said vaccinating the country's labour force remained the highest priority. She also called for the reconciliation of Viet Nam and the US tax policies and protocols to make it easier for businesses from both sides to work together.

5. Top 1,000 corporate income taxpayers in 2020 announced

The General Department of Taxation (GDT) has announced the list of the top 1,000 corporate income taxpayers (V1000) in Viet Nam in 2020.

According to the GDT's statistics, enterprises in the list contributed over VND145.93 trillion (US\$6.31 billion) to the State budget, accounting for 62.4 per cent of the total State revenue from corporate income taxes and equivalent to 103.74 per cent of that paid by those in the 2019 V1000 list.

It has been the fifth consecutive year the GDT has announced the list. During 2016-2020, 423 firms were named on the list. In the manufacturing and processing sector, 180 enterprises accounted for 32.91 per cent of the total tax contribution. It was followed by those in finance-banking and insurance with 30.6 per cent, information and communications 10.71 per cent, real estate 6.6 per cent; wholesale and retail, and repair of automobiles, motorbikes and motorised vehicles 5.68 per cent.

Ha Noi and HCM City took the lead with 109 and 134 taxpayers, respectively. Their tax contributions accounted for 43.26 per cent and 29.81 per cent of the total. It was followed by the provinces of Dong Nai, Vinh Phuc and Binh Duong.

Among 423 firms named in the list for five years, 267 are non-State enterprises with tax payment making up 60.2 per cent. State-owned enterprises came second with 71 whose State budget contribution

accounted for 25.64 per cent, and 77 foreign enterprises' tax payment made up 13.32 per cent.

Top 10 largest taxpayers in Viet Nam in 2020:

1. Viettel Military Industry and Telecoms Group (Viettel)
2. Joint Stock Commercial Bank for Foreign Trade of Viet Nam (Vietcombank)
3. Honda Viet Nam Company Limited
4. C.P Viet Nam Company Limited
5. Viet Nam Joint Stock Commercial Bank for Industry and Trade (Vietinbank)
6. Samsung Electronics Viet Nam Thai Nguyen Company Limited
7. Viet Nam Bank for Agriculture and Rural Development (Agribank)
8. Viet Nam Technological and Commercial Joint Stock Bank (Techcombank)
9. Heineken Viet Nam Brewery Company Limited
10. Vingroup JSC

6. Measures should be taken to limit risks in imported timber

Bilateral trade turnover of Viet Nam and China in wood products has reached about US\$2 billion each year.

To maintain and develop Viet Nam's export wood industry to this market, businesses need to reduce the risk of commercial fraud in wood products imported from China.

A study by the Vifores and Forest Trends based on data from the General Department of Customs shows that China is one of Viet Nam's three

important export markets for wood and wood products after the US and Japan.

Viet Nam's export turnover of wood and wood products to the US increased sharply from about \$1 billion in 2018 to over \$1.2 billion in 2019, then decreased slightly last year.

Among export items, woodchips are the most important. Export turnover of this item accounts for 70-80 per cent of the total annual export turnover, followed by peeled boards and wood products.

The proportion of woodchip exports in the first nine months this year declined compared to that of last year, but the decrease was not significant.

Notably, the export of peeled boards, an input material for the production of boards, to China has grown strongly in recent times.

The export proportion of plywood products is very strong, from 2 per cent of the total export turnover in 2018 to seven per cent last year and reaching 12 per cent in the first nine months of this year.

However, there is currently direct competition between Chinese businesses and Vietnamese plywood purchasers in the Vietnamese market.

The network of Chinese traders now covers plywood factories in northern provinces such as Bac Giang, Thai Nguyen, and Phu Tho to purchase raw materials.

This causes some difficulties in terms of raw materials for Vietnamese purchasers.

Two-way trade in wood products between Viet Nam and China is very large, with the current surplus tilting towards Viet Nam. However, the surplus is gradually shrinking.

“It is worth mentioning that, on the export side, Viet Nam's export products are mainly wood materials. Vietnamese enterprises are competing with Chinese enterprises at home. It is necessary to have new mechanisms and policies to improve the competitiveness of Vietnamese enterprises,” Dr. To Xuan Phuc, an expert from Forest Trends, said.

Do Xuan Lap, chairman of Vifores, said the average annual bilateral trade turnover of Viet Nam and China in wood products reached about \$2 billion, with the trade balance tilting towards Viet Nam.

In 2018, the turnover of Chinese wood products exported to Viet Nam was equivalent to less than 50 per cent of the turnover of Viet Nam's wood products exported to China.

This number grew to 70 per cent last year. If the growth momentum and structure of export-import products between the two countries are maintained

as they were now, the trade balance between Viet Nam and China will reach an equilibrium in the next two to three years, said Lap.

In the direction of Viet Nam's imports from China, key products include peeled and veneered boards, wood products and plywood.

These imported veneers and peeled boards are mainly made from wood species such as birch originating from Russia, a number of European countries, and the United States; as well as okoume wood originating from Africa and bintangor wood.

These items imported into Viet Nam are used as a surface layer for boards, then put into plywood production for export to other markets such as South Korea, India, or processed to create products such as cabinets, tables and chairs for export to the US and EU markets and to manufacture products for the domestic market.

However, these products contain legal risks for input materials that Forest Trends and Vifores have repeatedly recommended to importers.

Affirming that importing wood materials was a legitimate need of genuine businesses, Lap also said that reducing the risk of commercial fraud in wood products imported from China played an important role in maintaining and developing Viet Nam's export wood industry.

Vietnamese authorities are actively co-ordinating with timber associations and related parties in identifying risks and providing sanctions for violating companies.

These measures and sanctions should be prioritised and strengthened in order to limit risks in the flow of imported timber, he said.

This requires close attention from management and law enforcement agencies, especially border control agencies.

Close linkages and co-operation among these agencies, timber associations and other stakeholders allows the location risks in imported products, thereby deciding appropriate disciplinary measures.

7. 84.6 per cent of Hà Nội adults now fully jabbed

Medical authorities in Hà Nội vaccinated 600,000 people in a single day, pushing the overall percentage of adults fully inoculated to 84.6, vice chairman of the city's People's Committee Hà Minh Hải said on Tuesday.

At the third meeting of the 16th session of the city's People's Council, held on Tuesday, Hải said the city had rolled out many drastic measures to prevent and control the COVID-19 pandemic.

The city has implemented a vaccination campaign in which 420,000-550,000 vaccine doses are injected on average every day, according to the official. This number has peaked at over 600,000 jabs issued in a single day.

Nearly 6.2 million people, or 94.2 per cent of the population aged 18 and over, have received their first dose of vaccine. More than 5.5 million people, equivalent to 84.6 per cent of people aged 18 and over, have received their second shot.

Pandemic prevention and control has been identified as a key task at all levels. The city has established 4,573 community-based teams, which are divided into community-based groups, to support the COVID-19 prevention and control in their areas.

The city has developed a treatment plan with 50,000 beds for COVID-19 patients at hospitals and medical facilities, including those with no symptoms or mild symptoms. Preparations for a medical oxygen response plan facilitates up to 40,000 patients.

The city has deployed the mobile medical station model to each commune, ward and township, asked localities to prepare medical staff, equipment and medical supplies and issued guidelines for home quarantining F0s and F1s with mild symptoms.

This will continue to improve the capacity of local health systems to receive and treat patients with COVID-19.

So far, the city has conducted nearly 4.2 million COVID-19 tests.

Hải emphasised that with synchronous and drastic solutions to support local people and businesses, the pandemic situation had been basically put under control, helping the city's economy recover while implementing safe and flexible adaptation to the COVID-19 pandemic in the next years.

Hải mentioned shortcomings such as limited understanding of the causative agent and mode of transmission of the virus, causing difficulties in identifying, assessing, and making decisions on the application of pandemic prevention and control measures.

Hải said the city still faced risks due to a high population density as the pandemic was still unpredictable.

The city had given priority to ensuring people's health and safety and at the same time maintaining production and supply chain.

The city would continue implementing measures to maintain these goals.

Drastic measures in the fight against COVID-19

The People's Committee of Hà Nội has issued a document guiding COVID-19 prevention and control measures amid the rising number of infections in recent days.

Under the document, the committee asked the People's Committees of districts and towns to direct relevant forces to promptly launch mobile medical stations to receive, quarantine, manage and give treatment to COVID-19 patients following guidance from the city and Ministry of Health.

Localities were requested to form community-based teams to support the supervision of COVID-19 patients at home to ease pressure on mobile medical stations.

The city's People's Committee directed localities to provide training and guidance for the teams in monitoring the health of COVID-19 patients at home. The city's Health Department was assigned to ask

local hospitals to give professional guidelines to the mobile medical stations.

Meanwhile, home quarantine for F1s will be continued in line with instructions from the Ministry of Health.

Localities were allowed to make adjustments and supplementation to administrative measures in pandemic prevention and control in different

pandemic levels, including the restrictions and suspension of unnecessary services, including restaurants, and mass gatherings depending on developments.

Districts and towns are also requested to coordinate with the municipal Department of Transport to coordinate and transport COVID-19 patients with mild symptoms, samples and F1s to quarantine and treatment facilities.

Corporate News

8. SAB: Sabeco expected to earn more than US\$176 mln from cash dividend

↑ 0.92%

Holding nearly 7.4 million shares of WSB, Sabeco is expected to receive dividends of more than VND11 billion (US\$176.2 million) in the first phase of 2021 from Saigon Beer Western JSC (WSB).

Saigon Beer Western will close the list of shareholders to receive cash dividend in the first installment of 2021 at a rate of 15 per cent on December 14.

With 14.5 million outstanding shares, the company is expected to spend approximately VND21.8 billion to pay the advance dividend. The payment period is expected to take place on December 30.

As of the end of September, Sabeco owns 51 per cent of Saigon Beer Western's equity, equivalent to nearly 7.4 million shares. Therefore, Sabeco will receive approximately VND11.1 billion in cash dividend.

Previously, at the end of May, Saigon Beer Western paid a cash dividend for the last period of 2020 at a rate of VND2,000 a share. Sabeco was estimated to earn nearly VND14.8 billion from the payment.

In the third quarter of 2021, Saigon Beer Western recorded net revenue of VND105.6 billion, nearly VND87 billion lower than the same period last year. Its gross profit was only VND2 billion during the period, while in the third quarter last year, the amount was more than VND25.7 billion.

As of the end of September 2021, the total assets of Saigon Beer Western increased slightly to VND861 billion, while its liabilities climbed by more than 9 per cent to VND179.7 billion and undistributed profit after tax reached VND317.2 billion.

This year, the company set a target of total revenue of VND994.5 billion and net profit of VND118.4 billion, with the dividend rate of 2021 being 30 per cent.

9. NVL: The record date for the 2020 dividend payment

↑ 1.44%

On December 03, 2021, the Hochiminh Stock Exchange issued Announcement No.2093/TB-SGDHCM on the record date of No Va Land Investment Group Corporation (stock code: NVL) as follows:

- Ex-right date: December 24, 2021
- Record date: December 27, 2021

1. Purpose:

To pay stock dividend for 2020;

2. Detailed contents:

- Exercise ratio: 100:31

The one who owns 100 shares at the record date will receive 31 new shares

- Estimated issue volume: 456,817,741 shares
- How to deal with fractional shares: The number of newly issued shares distributed to each existing shareholder will be rounded down. The fractional share will be canceled.

- Place of implementation:

+ Shareholders whose shares have been deposited: at the securities firms where shares have been deposited.

+ Shareholders whose shares have not been deposited: at No Va Land Investment Group Corporation.

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