



VIETNAM DAILY NEWS



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Market Analysis

1. Shares manage to gain amid market volatility

Vietnamese shares managed to maintain an upward trend after a volatile afternoon trading session amid large differences in large-cap prices.

On the Ho Chi Minh Stock Exchange (HoSE), the market benchmark VN-Index gained 0.37 per cent to end Tuesday at 1,494.39 points.

It had gained 0.80 per cent to end Monday at 1,488.88 points.

The market's breadth was neutral with 224 gainers and 242 losers.

Liquidity declined compared to the previous session with 1 billion shares traded on the southern bourse, worth nearly VND29 trillion (US\$1.3 million).

The VN30-Index, tracking the 30 biggest stocks on HoSE, gained 0.59 per cent to end at 1,523.54 points. Fourteen out of 30 stocks in the VN30 basket posted gains, while 14 decreased.

In the VN-30 group, bluechips experienced large variety in prices, with gainers including Sabeco (SAB), PetroVietnam Gas JSC (GAS), Masan Group (MSN), Mobile World Group (MWG) and Vietjet (VJC).

On the other side, losers were Vinamilk (VNM), Vincom Retail (VRE), Vingroup (VIC), Phu Nhuan Jewelry (PNJ), Phat Dat Real Estate (PDR) and Novaland (NVL).

Banking stocks performed well and attracted huge cash flow with many gainers such as Asia Commercial Bank (ACB), Military Bank (MBB), Vietinbank (CTG), HDBank (HDB), VPBank (VPB), Vietcombank (VCB), Tien Phong Bank (TPB), Techcombank (TCB) and Sacombank (STB).

“The VN-Index once again challenged the resistance zone of 1,480 - 1,490 points zone, but the selling pressure has cooled down this time,” said Viet Dragon Securities Co.

“With the momentum, it is likely that the VN-Index will break this zone and form a short term up trend. As a result, investors can go along with the recovery and can make short term investments in stocks with good fundamentals and at strong supporting zones,” it said.

“Besides, they should be cautious of stocks coupled with the hidden risk,” it said.

Thirteen out of 25 sector indices on the stock market posted gains, including oil and gas, construction, retail, banking, real estate, seafood production, healthcare food and beverage, and construction materials.

On the other side, losers were wholesale insurance, securities, IT, agriculture, rubber production and logistics.

On the Ha Noi Stock Exchange (HNX), the HNX-Index gained 1.92 per cent to end at 458.05 points.

Macro & Policies

2. Exports set to exceed target in 2021

Despite a negative impact caused by the COVID-19 pandemic, the country's exports have scored a success this year with 11-month export revenues reaching approximately US\$300 billion.

The figures are expected to top \$335 billion by year-end, representing a sharp rise of 18.6 per cent year-on-year and surpassing the target of 4 to 5 per cent set for 2021

Total trade turnover is estimated at \$667.5 billion, up 22.4 per cent compared with 2020.

Notably, 34 commodities that fetched over \$1 billion each made up more than 93 per cent of export revenue in total.

In 2021, computers, electronics and components topped \$100 billion in trade for the first time. Meanwhile, processing and manufacturing industries continued to be the driving force behind economic growth, accounting for more than 86 per cent of export turnover.

Tran Thanh Hai, deputy director of the Import-Export Department, noted that textile and footwear industries in southern provinces were severely affected by prolonged lockdowns from July to September, but quickly took off in the last two months. They also made a substantial contribution to export growth.

Although the agricultural sector represented less than 15 per cent of the country's exports, it fared well during the year.

Agricultural-forestry-fishery exports brought in \$43.5 billion.

The figures are forecast to hit a yearly turnover of roughly \$47 billion, exceeding the set target by about \$5 billion.

In regard to key farm produce, senior trade expert Pham Tat Thang remarked that Vietnamese lychees had successfully made an inroad into high-end markets for the first time this year. Likewise, Vietnamese rice has also made a name for itself and

yielded high export value thanks to brand promotion.

Experts believe the steady growth in exports can be attributed to favourable conditions created by free trade agreements (FTA) and national efforts to hold ground in its traditional export markets such as the United States, China, the European Union and ASEAN.

The US continued to be the country's largest export partner with an estimated annual growth of 27.5 per cent.

Vietnamese firms have turned new-generation FTAs, including CPTPP, EVFTA and UKVFTA, to their advantage and managed to reach new markets.

The Ministry of Industry and Trade said that exports to the EU had risen 10.6 per cent and to the UK by 14.5 per cent since the EVFTA and UKVFTA came into force.

The same trends can also be seen in trade activities between Viet Nam and CPTPP markets, which include Canada, Mexico and Peru.

Exports to these three countries continued to enjoy high rates of growth with 17.6 per cent for Canada, 43.9 per cent for Mexico and 84.3 per cent for Peru.

The robust growth in exports was also evidence of the Government's efforts in bilateral and multilateral trade negotiations.

The success of these negotiations has led to the lifting of many trade barriers, helping Vietnamese products, notably agrico-fishery, to gain ground in even highly demanding markets.

Overall, the export sector has successfully weathered the pandemic storm and came out well with trade balance moving from deficit at the end of the third quarter to surplus after November, amounting to an estimated total surplus of \$3 billion for the whole year.

Deputy Minister of Industry and Trade Tran Quoc Khanh stressed that the country's achievements in trade could be attributed to the continuity of production and export activities, especially at major industrial complexes such as Bac Ninh, Bac Giang and Thai Nguyen, amid the complicated development of COVID-19.

Khanh said another contributing factor was the country's efforts to keep the circulation of goods uninterrupted and keep major export gateways safe during social distancing.

Despite bright spots in the overall picture, it is undeniable that the COVID-19 pandemic has been posing real threats to the export sector, including

supply chain disruption and price volatile fluctuation.

To keep these threats at bay, local firms need to pay closer attention to risk management and trade remedy cases to proactively respond.

Some other export-related issues also need to be put high on the agenda as they are obstacles to a more sustainable export growth.

These issues include the high contributing proportion of foreign invested enterprises (70 per cent) in the country's total exports, and difficult-to-meet standards and requirements specified by a new-generation of FTAs, and persistent services deficits.

3. Pledged foreign investment in Viet Nam surpasses US\$31 billion in 2021

Despite the prolonged pandemic, foreign investors registered to pump US\$31.15 billion into Viet Nam in 2021, up 9.2 per cent year-on-year, the Foreign Investment Agency (FIA) has said.

Foreign investors had 1,738 new projects licensed, with total registered capital of over US\$15.2 billion, down 31.1 per cent in the number of projects but up 4.1 per cent in the level of capital.

The firms also added more than US\$9 billion of capital to 985 operating projects, up 40.5 per cent in value and down 13.6 per cent in volume.

A remainder of nearly US\$6.9 billion was used by foreign businesses for capital contribution and share purchases in a total of 3,797 transactions, marking yearly decreases of 7.7 per cent in value and 38.2 per cent in volume.

Meanwhile, disbursement of foreign direct investment (FDI) also saw a slight decline of 1.2 per cent, to an estimated US\$19.74 billion.

In its latest report, the FIA attributed the decreases in the numbers of new, expanded projects and paid-in capital for share purchases, to Viet Nam's selective investment attraction policies that prioritise quality over quantity of projects, while eliminating small-scale projects with low added value.

Travel restrictions and long quarantine policies made it hard for foreign investors to survey planned projects, the agency said.

It added that lockdowns and travel restrictions also affected operations of foreign-invested firms, resulting in production capacity reductions and supply chain disruptions. This also affected plans to invest in the country.

The manufacturing and processing sector attracted the lion's share of FDI with over US\$18.1 billion, or 58.2 per cent. Electricity production and distribution came next with over US\$5.7 billion, or 18.3 per cent. It was followed by the real estate, wholesale and retail sectors.

Among 106 countries and territories investing in Viet Nam, Singapore ranked first with over US\$10.7 billion, equivalent to 34.4 per cent of the total, ahead of South Korea with around US\$5 billion or 25.4 per cent, and Japan with nearly US\$3.9 billion or 12.5 per cent.

The country's other major sources of FDI were mainland China, Hong Kong and Taiwan.

With over US\$5.26 billion investment, the northern port city of Hai Phong surpassed the southern province of Long An in terms of FDI in 2021, making

up 16.9 per cent of total registered capital, nearly triple that of the same period last year.

Long An came second with more than US\$3.84 billion or 12.3 per cent, and HCM City third with roughly US\$3.74 billion, 12 per cent. Binh Duong, Bac Ninh and Ha Noi were the next highest.

According to the FIA, foreign-invested businesses posted a trade surplus of nearly US\$28.5 billion in 2021 as they gained US\$246.7 billion from exports, a yearly hike of 21 per cent while their imports hit US\$218.3 billion, up 29.2 per cent.

As of December 20, the country was home to 34,527 valid foreign-invested projects, worth nearly

US\$408.1 billion. Of the sum, US\$251.6 billion, or 61.7 per cent, has been disbursed.

Experts forecast that a recovery in the global investment flow will open up a bright future for Viet Nam's investment attraction next year.

Nguyen Anh Duong, director of the general research department at the Central Institute for Economic Management, said that the fact that Viet Nam was among countries with a positive economic outlook in 2022 and there was recovery momentum in Asian production, would both make an important contribution to accelerating foreign investment.

4. Business leaders rush to sell off in the last trading days of 2021

In the last trading days of the year, the country's stock market has seen a flurry of activity, with many companies witnessing profit-taking activities from their leaders and families.

Last week, one of the most exciting internal trading activities was the sell off of Fecon Corporation (FCN). On the stock market, FCN's share price rose 2.2 times since the end of September, closing last week at VND29,500 a share (US\$1.29), the highest level since it went public. The company's leaders took advantage of the gains to take profit.

Accordingly, Tran Trong Thang, Vice Chairman of the Board of Directors of Fecon, registered to sell 200,000 shares through order matching or negotiation, with the transaction period from December 29 to January 27.

At the current price, Thang is likely to earn VND5.9 billion from the deal. Previously, Thang registered to buy 500,000 FCN shares from November 24 to December 23, but did not do so as the market price did not meet expectations.

During the same period, Phung Tien Trung, a member of the Board of Directors of Fecon, also registered to sell 100,000 shares. He is expected to collect nearly VND3 billion from the sale.

Similarly, Nguyen Thi Nghien, Chief Financial Officer of Facon, registered to sell all of 10,151 FCN shares. On December 22, Nguyen Song Thanh, a member of

the Board of Directors of Facon, also sold 30,000 shares of FCN through order matching.

The company shares continued to rise on Monday, up 1.87 per cent to VND29,950 a share.

At the Electronics Communications Technology Investment Development Corporation (ELC), Nguyen Thi Minh Hanh, the wife of Nguyen Manh Hai - a member of the Board of Directors of ELC, completed the sale of 5,500 ELC shares on December 24.

After reaching the peak, the company shares are currently moving sideways at around VND27,800 a share. It is estimated that at this price, Hanh has earned about VND153 million.

Meanwhile, Bui Thi Kim Oanh, a member of the Board of Director of Thien Viet Securities JSC (TVS), has just registered to sell 150,000 shares, reducing her ownership rate from 1.25 per cent to 1.1 per cent. The trading time is from December 28 to January 26, 2022, through order matching or agreement.

On the stock market, TVS shares hit the ceiling price for five consecutive sessions. Therefore, within a month, TVS market price doubled, from VND31,000 to VND67,000, the highest in its history. At the price of VND67,000 a share, Oanh may earn about VND10 billion.

At Tu Liem Urban Development JSC (NTL), Nguyen Hong Khiem, a member of the Board of Directors and Deputy General Director, has registered to sell all 1.03 million NTL shares from December 20 to January 18, 2022. It is estimated that at the current price of VND41,950 a share, Khiem can earn VND43 billion.

Le Minh Tuan, a member of the Board of Directors and Deputy General Director of Tu Liem, also registered to sell 1 million shares, reducing his ownership rate to 4.18 per cent from 5 per cent. Tuan is estimated to earn about VND41.9 billion.

Lien Viet Post Bank (LPB) also witnessed a strong sell-off from its leaders' families. Of which, Tong Thi Kieu Hoa, the sister-in-law of Nguyen Duc Thuy, Vice President of Lien Viet Post Bank, completed the sale of all 28,300 shares, reducing her ownership rate to 0 per cent.

The transaction was completed on December 21. Hoa is estimated to collect more than VND500 million after the deal. Nguyen Xuan Thuy, Thuy's brother, also registered to sell 1.8 million LPB shares, but did not complete the sale.

At Yeah1 Group Corporation (YEG), General Director Dao Phuc Tri has just registered to sell 1.15 million shares from December 27 to December 29. The move took place when the market price of YEG shares continuously hit the biggest daily gain in recent sessions.

However, right after the news of the sale was released, YEG shares plunged to the biggest daily loss of 7 per cent in the last session of the week, closing the market price at VND22,150 a share.

At the price of VND22,150, the deal is estimated to be worth about VND22.48 billion. If the deal is successful, the leader's shares reduce to 344,296, equivalent to an ownership rate of 1.1 per cent. The transactions are expected to be completed in the period from December 27 to December 29 according to the agreement method.

Meanwhile, buying activities are relatively quiet.

Statistics from FiinGroup showed that companies' shareholders, related organisations, leaders and their families sold a net value of VND15.5 trillion in the past 11 months and were most active in the last months of the year. It is estimated that in December, this group continued to net sell VND1 trillion.

5. Upbeat outlook for food and beverage industry in 2022

The growth prospects of the domestic food and beverage industry are expected to be positive next year buoyed by new consumption trends, according to experts.

According to VNDirect Securities, consumer spending with a shift to fresh and packaged foods, Vietnam News Agency reported.

A survey on consumer spending plans under the impact of the COVID-19 pandemic conducted by Deloitte showed that consumers will increase their spending on fresh and packaged foods by 84 per cent and 70 per cent respectively due to goods hoarding in the pandemic.

Global financial services provider Fitch Solutions reported Viet Nam's spending on essential goods, such as food and non-alcoholic beverages, housing and utilities, is estimated to grow between 8 per cent

and 10 per cent year-on-year in 2022 and 2023 respectively, driven by rising spending post-pandemic.

The new consumption trends will become a growth driver for the food and beverage industry in 2022.

Domestic demand for high-end consumer goods is also increasing. With roughly 100 million people, Viet Nam is the world's 17th largest country in terms of population. The country is achieving the highest GDP growth rate in ASEAN, with the compound annual growth rate for the 2018-20 period reaching 6.9 per cent.

According to Fitch Solutions, Viet Nam's disposable income per household will reach US\$6,848 by 2024, with a compound growth rate of 8 per cent in the 2020-24 period.

A rapidly rising middle-income class and increasing disposable income will boost the country's demand for luxury products.

According to VNDirect Securities steady growth of per capita income and controlled inflation and foreign exchange rates will help local people access high-end products.

The COVID-19 pandemic will also affect consumer perception of health issues, thereby increasing the demand for high quality products that meet health requirements.

In addition, according to VNDirect, modern sales channels will create new growth drivers for the food and beverage industry.

The COVID-19 pandemic has changed consumption trends, creating opportunities for modern distribution channels to develop rapidly as

consumers prefer shopping online or supermarkets to buy quality and origin-stated products to protect their health.

Analysts said firms in the food and beverage industry with strong modern distribution systems, such as dairy producer Vinamilk and Masan Consumer Corporation, could benefit from changes to further grow in the long term.

However, experts have noted that despite the positive outlook, there were still potential risks related to the pandemic and input costs that could affect the food and beverage industry next year.

If the pandemic lasts longer than expected, it will cause disruptions in the industry's supply and distribution chains.

The industry's profits will also be affected adversely if input material costs are higher than expected.

6. Viet Nam an important market of Japanese retail groups

A number of big Japanese retailers are planning to expand operations in the Vietnamese market despite the COVID-19 pandemic.

According to Nikkei Asia the COVID-19 pandemic, combined with lower barriers to foreign investment, have created what AEON sees as its chance to reach more Vietnamese consumers.

The group plans to open 100 or so of its MaxValu supermarkets in Viet Nam by 2025, up from just four in the Ha Noi area now.

"The retail group faces few large foreign-owned competitors in the capital, where wet markets would draw crowds with fresh meat, fish and produce," Nikkei Asia commented.

Viet Nam is the most important market for the retail giant's overseas strategy, the newspaper quoted Okazaki Soichi, the executive in charge of the group's Southeast Asian business, as saying.

These vendors are now seeing shoppers stay away after a rash of COVID-19 outbreaks in big Vietnamese cities this year.

AEON will add bigger stores with 500 sq.m or more of floor space in its expansion.

In its pursuit of scale, AEON will chase Vietnamese supermarket leader Masan Group and Thailand's Central Group, which operates 230 stores.

AEON is not the only Japanese group with an eye on Southeast Asian consumers.

Trading house Sumitomo Corp plans to open more locations of Japanese-style supermarket chain FujiMart in Viet Nam with local conglomerate BRG Group. FujiMart has three locations in Ha Noi.

In addition, the operator of the Don Don Donki store chain, Pan Pacific International Holdings, aims to increase its overseas sales to one trillion yen (US\$8.72 billion) by the year ending June 2030, about six times last fiscal year's level.

For its part, convenience store operator FamilyMart has expanded into five Southeast Asian countries, tailoring its product lineup to local needs and tastes.

7. Việt Nam reports 14,440 new COVID-19 cases, Hà Nội tops localities for 10th straight day

Việt Nam announced 14,440 new COVID-19 cases on Tuesday, along with 214 deaths.

While witnessing a slight decrease in the number of transmissions, the capital Hà Nội again topped the list for infections, for the 10th consecutive day, with 1,920 new cases.

The other transmissions were found in Tây Ninh (923), Vĩnh Long (911), Khánh Hòa (790), Cần Thơ (763), HCM City (671), Đồng Tháp (610), Hải Phòng (597), Trà Vinh (585), Bạc Liêu (485), Bình Định (436), Bắc Ninh (434), Lâm Đồng (365), Thừa Thiên Huế (362), Thanh Hóa (346), Bình Thuận (286), Hải Dương (260), Kiên Giang (250), Sóc Trăng (229), Hưng Yên (195), An Giang (191), Tiền Giang (188), Cà Mau (184), Quảng Ninh (182), Hà Giang (140), Quảng Ngãi (140), Đà Nẵng (135), Gia Lai (128), Đồng Nai (124), Bình Dương (109), Vĩnh Phúc (97), Hà Nam (96), Hậu Giang (95), Nam Định (85), Quảng Nam (82), Nghệ An (79), Bến Tre (72), Đắk Lắk (60), Lạng Sơn (59), Thái Bình (59), Phú Thọ (57), Long An (57), Kon Tum (52), Sơn La (51), Quảng Trị (50), Hòa Bình (50), Thái Nguyên (48), Đắk Nông (47), Ninh Thuận (47), Cao Bằng (44), Bắc Giang (43), Tuyên Quang (25), Bình Phước (24), Quảng Bình (23), Lào Cai (18), Yên Bái (18), Phú Yên (15), Lai Châu (12), Hà Tĩnh (8), Bắc Kạn (5) and Điện Biên (4).

Among the new cases, 19 were imported and the rest local transmissions. A total of 9,305 new infections were detected in the community.

The national tally has now reached 1,680,985. The country's rolling seven-day average of new daily COVID-19 cases stands at 15,580.

The 214 COVID-related deaths were reported in HCM City (35), An Giang (15), Tây Ninh (15), Vĩnh Long (15), Đồng Tháp (14), Tiền Giang (14), Đồng Nai (13), Kiên Giang (12), Cần Thơ (12), Sóc Trăng (12), Hà Nội (11), Bình Dương (8), Long An (7), Bến Tre (7), Bình Phước (4), Bình Thuận (4), Hậu Giang (4), Cà Mau (4), Trà Vinh (4), Hải Phòng (1), Lạng Sơn (1), Khánh Hòa (1) and Bạc Liêu (1).

Of the 35 fatalities recorded in HCM City, six cases were transferred from other localities: An Giang (1), Tiền Giang (1), Long An (1), Bình Dương (1), Phú Yên (1) and Tây Ninh (1).

The death toll in Việt Nam is now 31,632, accounting for 1.9 per cent of all cases.

More than 7,100 patients nationwide are in serious condition, with 802 requiring invasive ventilation and 19 on life support.

A total of 4,668 recoveries were announced, taking the total number of patients given the all-clear in the country to 1,264,282.

Over 147.2 million doses of COVID-19 vaccine have been administered in Việt Nam so far, with 77,262,656 people receiving at least one shot.

Corporate News

8. APH: Approved the plan for stock issuance to raise capital

↑ 2.95%

The Board resolution dated December 24, 2021, the BOD of An Phat Holdings Joint Stock Company approved the plan to issue shares for increasing charter capital from the owner's equity with details as follows:

- Stock name: An Phat Holdings Joint Stock Company
- Stock type: common share
- Par value: VND10,000/share
- Number of outstanding shares: 202,422,322 shares; Of which:
 - + Common shares: 195,107,442 shares
 - + Preferred shares: 7,314,880 shares

- Number of shares expected to be issued: 48,776,860 shares

- Total value of issuance (at par value): VND487,768,600,000

- Exercise ratio: 100:25 (Those who own 100 shares will receive 25 new shares).

- Plan to deal with fractional shares: The distributed shares will be rounded down to units, the fractional shares (if any) will be cancelled.

- Transfer restriction: none.

- Time of implementation: expected in January 2022, after being approved by the State Securities Commission of Vietnam (SSC).

9. HVN: Vietnam Airlines Group to resume 10 more domestic routes in January

↓ -1.07%

Member carriers of Vietnam Airlines Group are planning to resume 10 more domestic air routes from January 2022, raising the number of such routes to nearly 50.

The group, comprising Vietnam Airlines, Pacific Airlines, and VASCO, will reopen the routes connecting HCM City with Quảng Ninh province; Hải Phòng city with Đà Lạt, Buôn Ma Thuột, and Nha Trang cities; Thanh Hóa Province with Buôn Ma Thuột and Đà Lạt; Vinh City with Buôn Ma Thuột, Nha Trang, and Đà Lạt; and Huế City with Đà Lạt.

The routes are scheduled to resume from January 16, with three to four flights per week each.

The carriers will also increase the flight frequency on many routes to an average of about 300 one-way flights per day in total.

Meanwhile, the number of seats will also be raised by 120 per cent from the current level to nearly 2 million to serve the Lunar New Year peak, which falls in late January and early February.

Vietnam Airlines Group said the carriers' official flight and ticket sales schedules will depend on authorised agencies' decisions, localities' requirements, as well as the pandemic situation.

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