



# VIETNAM DAILY NEWS

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## Market Analysis

### 1. Shares end higher on the growth of bank stocks

Shares ended higher on Wednesday thanks to the growth of the banking stock group but liquidity remained at a low level as investors held back from making further purchases ahead of the Tet holiday.

The VN-Index on the Ho Chi Minh Stock Exchange (HoSE) rose 0.14 per cent to close at 1,481.58 points.

The index had risen 2.77 per cent to close at 1,479.58 points yesterday.

The market's breadth was neutral with 225 gainers and 239 decliners.

On HoSE, investors poured over VND23.5 trillion (US\$1 billion) into the market, equivalent to a trading volume of over 813 million shares.

The VN30-Index, tracking the 30 biggest stocks on HoSE, gained 0.60 per cent, to 1,525.31 points.

Of the VN30 basket, 19 stocks rose to cushion the market, while 11 declined.

A series of stocks in industry groups such as banking, steel, oil and gas increased strongly, helping the VN-Index to end the session higher.

The banking group outperformed and supported the gains of the market with notable gainers including Vietinbank (CTG), Techcombank (TCB), VPBank (VPB), Military Bank (MBB), Sacombank (STB) and Eximbank (EIB).

The steel industry experienced a positive trading day with notable industry-representative stocks such as Hoa Phat Group (HPG), Hoa Sen Group (HSG) and Nam Kim Group (NKG) all climbing.

Vietnamese oil and gas stocks grew well, including PetroVietnam Gas JSC (GAS), Viet Nam National Petroleum Group (PLX), Binh Son Refinery (BSR).

“Although VN-Index was in an upward trend, investors should still trade cautiously in the last days of this lunar year when the market's fluctuation range is quite large,” said BIDV Securities Co.

Fourteen out of 25 sector indices on the stock market made gains, including wholesale, insurance, real estate, retail, banking, agriculture, rubber processing, seafood processing, construction materials and logistics.

On the negative side, losing indices included securities, healthcare, oil and gas, food and beverage and construction.

On the Ha Noi Stock Exchange (HNX), the HNX-Index gained 0.39 per cent, to close Wednesday at 411.82 points.

It had gained 2.36 per cent, to close Tuesday at 410.23 points.

More than 52.3 million shares were traded on the southern exchange, worth VND1.6 trillion.

## Macro & Policies

### 2. HCM City to focus on industry, exports this year

HCM City will promote manufacturing and exports this year, its Department of Industry and Trade has said.

It targets 5 per cent industrial growth, 10 per cent growth in retail sales of goods and services and 9 per cent increase in foreign trade (excluding crude oil).

It told a meeting held early this week to review industrial production and trade in 2021 and set tasks for this year that the index of industrial production declined by an estimated 14.3 per cent last year due to the impacts of COVID-19, with the city's four key industrial clusters (food processing, pharmaceutical chemicals-rubber-plastic, mechanical engineering, and electronics) shrinking by 10.6 per cent.

To quickly revive the city's economy, this year the department will focus on developing the industrial sector, high-tech sectors, supporting industries, and the four key clusters comprehensively.

It will pay greater attention to promoting key industrial products and those with potential in 2021-25 to foster development of others.

It will continue to transform the export structure with a focus on support services and products and services like software, digital content and others in which the city has advantages.

It will make efforts to attract large investors who can produce and export high value-added products, step up export promotion to expand markets, especially to countries with which Viet Nam has free trade agreements.

The department also seeks to boost the development of e-commerce to meet consumption trends.

Other plans include strengthening links between producers and distributors and retailers and setting up a commodity exchange and large-scale supply and distribution chains with the participation of leading retailers and logistics firms, farms and enterprises.

Speaking at the meeting, Phan Thi Thang, vice chairwoman of the city People's Committee, appreciated the efforts made by the department and industrial and trading businesses last year.

She urged the department to quickly implement the economic recovery plan and assess the efficiency of stimulus programmes to offer more practical supports to businesses to prevent a situation where there are many support programmes but with businesses unable to benefit from them.

She urged it to link up with its counterparts in other cities and provinces, industry groups and others to enable more firms to join supply chains for the domestic and export markets.

### 3. World Bank builds offshore wind roadmap for Việt Nam

The World Bank has recommended 20 actions that address three priority areas for Việt Nam's successful offshore wind industry.

The 'Offshore Wind Roadmap for Việt Nam' report is the outcome of a study that followed an invitation from the Vietnamese Government to the WB. It was carried out from February to October 2020.

According to the WB, by 2035, there will be about 450 large offshore wind turbines operating in Việt

Nam, installed at about 10 large conventional fixed offshore wind farms and one or two at floating ones.

In addition, based on leases issued to date, there will be about 30 smaller nearshore wind farms using smaller turbines.

The WB warned that nearshore projects in proximity to key biodiversity areas, critical habitats, and sensitive natural habitats will likely result in very high environmental impacts and may be

unlikely to meet WB Group environmental and social standards.

The cost of energy of the first offshore wind projects will likely be high, at US\$150-200 per MWh, due to a lower capacity factor, limited use of local suppliers, and small project scale.

Experience from other markets has shown that the cost of energy quickly drops as more capacity is built out, with risks reducing and local capability increasing. In this scenario, the cost of energy of projects can be expected to fall to around \$80–90 per MWh by 2030 and \$60–70 per MWh by 2035.

Under high growth scenario, with significant expansion of offshore wind resulting in offshore wind supplying 12 per cent of Việt Nam's electricity needs by 2035, levelised cost of energy is projected to be 20 per cent lower.

Local jobs will quadruple and there will be more value added to the economy. Consumers will enjoy less than half the net cost, according to the report.

Experience in developed offshore wind markets suggest that ambitious, long-term targets can serve as cornerstones for industry development.

The results of this roadmap suggest that a target of 10GW by 2030 and 25GW by 2035 would likely accomplish this objective. At the same time, a consequence of higher growth is a higher risk of adverse environmental and social impacts.

This places even greater importance on the need to develop a marine spatial plan and a framework for environmental legislation to be put in place before development leases are issued.

#### 4. ASEAN+3 economic prospects positive in 2022

Economic prospects for ASEAN+3 (Association of Southeast Asian Nations plus China, Japan and Korea) look promising in 2022, despite challenges from the COVID-19 pandemic and the global economy, according to a report published on Tuesday by the ASEAN+3 Macroeconomic Research Office (AMRO).

Việt Nam's GDP has been forecast to be among the fastest-growing this year at 7.5 per cent from the previous year, well above the bloc's average at 4.9 per cent.

AMRO points out that the emergence of the Omicron variant towards the end of 2021 brought new uncertainties and set back the progress of economic re-opening. However, high vaccination coverage has mitigated the risk of nationwide lockdowns, as experienced during the early days of the pandemic.

"The ASEAN+3 region has sufficient policy space to navigate through these new challenges, and stay on its recovery path," says AMRO's Chief Economist, Dr Hoe Ee Khor.

"A resurgence of infections continues to be the key downside risk, amplified by lingering global supply chain disruptions and rising global price pressures,"

adds Dr Khor. "While the rise in global inflation is likely to prompt major advanced economies to roll back extraordinary monetary support earlier or more sharply than anticipated, the spillover effects for the region is likely to be limited because of greater resilience."

AMRO maintains a positive outlook on ASEAN+3 economies for 2022, with regional GDP growth of 4.9 per cent and inflation remaining relatively low at 2.9 per cent for the year.

AMRO's baseline 2022 GDP growth forecast for the ASEAN+3 region assumes a continued improvement in the global economy, but at a slower pace due to the Omicron variant. AMRO has kept broadly unchanged its GDP growth projections for the Plus-3 economies of China; Hong Kong, China; Japan and Korea. Forecasts for six of the 10 ASEAN economies have been revised only slightly downwards. Inflation for the ASEAN+3 economies should rise slightly higher than AMRO's last forecast in October 2021, but consumer price rises will stay relatively low when compared with other regions globally.

The ASEAN+3 Macroeconomic Research Office (AMRO) is an international organisation established to contribute towards securing the macroeconomic

and financial stability of the ASEAN+3 region, comprising 10 members of the Association of

Southeast Asian Nations (ASEAN) and China; Hong Kong, China; Japan; and Korea.

## 5. Việt Nam a magnet for Singaporean investors: Ambassador

Việt Nam remains an attractive destination for foreign investors, including those from Singapore, thanks to the Government's concerted efforts and measures to improve business climate and the expansion of free trade agreements.

They are the views of Singaporean Ambassador to Việt Nam Jaya Ratnam who spoke to the Vietnam News Agency on the threshold of the Lunar New Year.

The diplomat highlighted that Singapore had been the leading source of foreign direct investment (FDI) into Việt Nam for two consecutive years, with money injected into a wide range of areas such as financial and insurance services, manufacturing, real estate, and wholesale and retail trade.

"The Việt Nam-Singapore Industrial Parks (VSIP) are the cornerstone of Singapore's economic engagement with Việt Nam," he said, adding they had attracted some US\$14 billion and generated over 270,000 jobs in Việt Nam over the past 25 years.

Developing the digital economy would be a key priority for both nations in the coming decades, the diplomat added.

Singapore welcomed the deepening of digital economic collaboration with Việt Nam, particularly as Việt Nam had identified the digital economy as one of the key drivers of its growth that would, in turn, propel the nation towards its ambitious goal of becoming a high-income country by 2045.

Cooperation across cross-border data flows, cybersecurity and AI governance would provide the foundation for Vietnamese and Singapore start-ups and companies to transact with each other easily and securely, and enable them to grow their digital businesses, he said.

"COVID-19 has highlighted the crucial role of digital trade and e-commerce in ensuring supply chain resilience and transport connectivity. Moving

forward, we hope that Việt Nam will join our network of digital alliances to foster interoperability of standards and systems," the diplomat said.

He also stressed the importance of the resumption of commercial flights between the two countries, describing it a vital step to recover safe travel supporting economic growth and people-to-people ties.

He added: "We are working closely with Việt Nam on mutual recognition of our vaccine certificates, allowing us to further open up our borders in a safe and calibrated manner."

The ambassador also said Việt Nam continued to consolidate its position as a key link in global supply chains, and this would present opportunities for Singapore companies to collaborate with Vietnamese partners in the logistics and e-commerce industries.

Given the massive potential of the Vietnamese e-commerce market, Singapore-based companies like Grab and Shopee had been steadily expanding their presence in Việt Nam.

"I have no doubt that Việt Nam's economy will not only recover this year, but also recover strongly. I am fully confident that Singapore companies will continue to seize opportunities to plug themselves into Việt Nam's growth," he said.

On bilateral ties, the diplomat said they were built on a strong foundation of mutual trust and support and had been further cemented over the past two years despite numerous difficulties caused by the raging COVID-19.

High-level bilateral engagements had been sustained, including an in-person meeting between Prime Minister Phạm Minh Chính and Singaporean Prime Minister Lee Hsien Loong in Jakarta in April, 2021, and an official trip to Việt Nam by Singaporean Foreign Minister Dr Vivian Balakrishnan in June last year.



In Hà Nội and HCM City, Việt Nam's two biggest cities, the Singapore community rallied to collect funds to purchase and distribute essentials for the needy, mindful of Việt Nam's timely support to Singapore when the situation was difficult back in their country.

"For me, this crisis has once again underlined that Singapore and Việt Nam are not fair-weather friends. We can count on each other in both good times and bad," the diplomat said, concluding that building on strong foundations, Việt Nam and Singapore will further expand their cooperation into new areas of digital economy and sustainable development.

"I have no doubt that Việt Nam's economy will not only recover this year, but also recover strongly. I am fully confident that Singapore companies will continue to seize opportunities to plug themselves into Việt Nam's growth", said the Singaporean ambassador.

Việt Nam and Singapore would celebrate the 50th anniversary of the establishment of diplomatic relations and the 10th anniversary of the strategic partnership in 2023, which is also the expected time when the two countries have recovered from the difficulties of the COVID-19 pandemic and continued to promote bilateral commitments as well as expand cooperation, with special priority given to the field of digital economy and sustainable development, the diplomat concluded.

## 6. First community Omicron case recorded in Hà Nội

A person who came in contact with some among the 13 imported cases of the COVID-19 Omicron variant is the first recorded case of Omicron in the community in the capital city, according to information announced at a Hà Nội COVID-19 Prevention and Control Steering Committee meeting Wednesday.

In the meeting, Vũ Cao Cường, deputy director of the Hà Nội Department of Health, said that there was a risk of community transmission of Omicron in Hà Nội.

The capital city has now seen 118,111 cases and is still on alert level two (medium-risk).

"In the coming weeks we could see a slight drop in daily cases," said Cường. "The drop will be caused by people travelling back home for Tết, and daily cases

will return to 3,000 cases per day after the holiday if people do not adhere to prevention methods."

To curb the rise of the pandemic, Hà Nội will raise awareness among citizens, as well as reduce large gatherings.

Hà Nội has administered a total of 14.541 million doses of COVID-19 vaccines so far, with first-dose coverage for people above 50 years reaching 99.3 per cent, second-dose coverage at 98.3 per cent. About 2.1 million people have received the booster shots.

During the fourth wave starting since late April last year, Hà Nội has recorded a cumulative total of 117,871 COVID-19 infections, with 45,720 active cases. More than 36,000 cases are treated at home.

## 7. Binh Duong Province speeds up regional connectivity works

Binh Duong Province plans to complete a number of key transport infrastructure projects this year and start others to maintain its leading position in attracting foreign investment and act as a springboard for recovery after the COVID-19 pandemic ends.

Nguyen Anh Minh, the director of the province Department of Transport, said the development of transport infrastructure, especially linking other provinces and cities and seaports and airports, needed to be synchronised to promote economic development.

Binh Duong prioritised resources for key traffic projects, he said.

It was speeding up work to put the Bac Tan Uyen - Phu Giao - Dong Phu Road into use this year. The 12.15km project costs over VND965 billion (US\$42 million) and connects Phu Giao and Bac Tan Uyen districts in Binh Duong with Dong Phu District in Binh Phuoc Province.

"The road is designed with six lanes and a maximum speed of 80km per hour," Minh said.

Binh Duong and Dong Nai provinces started to build the Bach Dang 2 Bridge between them late last year at a cost of VND980 billion (\$42.6 million).

The 540m-long bridge across the Dong Nai River will connect Tan Uyen Town in Binh Duong with Vinh Cuu District in Dong Nai Province, and play an important role in the distribution of goods.

It is part of the growing transport system in the Southern Key Economic Region.

The region comprises HCM City and the provinces of Binh Duong, Ba Ria-Vung Tau, Dong Nai, Binh Phuoc, Tay Ninh, Long An, and Tien Giang.

The province also plans to widen and upgrade My Phuoc - Tan Van expressway and provincial

highways No 743, 747B and 746, which will improve connectivity with Dong Nai Province and HCM City.

Upgrade of the My Phuoc - Tan Van expressway is a key project since it connects urban areas and industrial parks, and creates a freight corridor along the North - South backbone axis parallel to National Highway No 13, improving access to Cai Mep - Thi Vai Port in Ba Ria-Vung Tau Province and Long Thanh airport in Dong Nai Province.

The widening of major roads such as National Highway No 13 and My Phuoc - Tan Van between industrial zones has eased transport to ports.

In recent years Binh Duong has invested large sums to improve road infrastructure to enhance connectivity with HCM City and nearby provinces, develop industrial zones and attract workers from around the country.

According to Bui Minh Tri, head of its industrial zone administration, Binh Duong is among the hottest investment destinations in the country and is always looking to develop transport infrastructure to help move goods.

It plans to further improve transport connectivity by developing waterways and, in future, a rail link to HCM City and Dong Nai Province.

## Corporate News

### 8. PNJ: Notice of foreign ownership ratio limit

↑ 4.12%

According to the Official Document No.374/UBCK-PTTT dated January 19, 2022 by the Vietnam Securities Commission of Vietnam (SSC), SSC

approved that the foreign ownership ratio limit of Phu Nhuan Jewelry Joint Stock Company (PNJ) will be 49%.

### 9. HSG: Record date for Annual General Meeting FY 2021-2022

↑ 0.32%

On January 24, 2022, the Hochiminh Stock Exchange issued Announcement No.119 /TB-SGDHCM about the record date of Hoa Sen Group (stock code: HSG) as follows:

- Ex-right date: February 09, 2022
- Record date: February 10, 2022

- Purpose: to organize the FY 2001-2022 Annual General Meeting of Shareholders.
- Exercise ratio: 01 share – 01 voting right
- Meeting date: March 21, 2022
- Meeting venue: 135 Nam Ky Khoi Nghia street, Ben Thanh ward, district 1, HCM city.



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