



# VIETNAM DAILY NEWS

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## Market Analysis

### 1. VN-Index hits five-week high

Vietnam's benchmark VN-Index rose 1.06 percent to 1,507.99 points Thursday, highest since January 12, with surging investment in blue chip stocks.

The index stayed in the green throughout the day and shot up in the last minutes to close nearly 16 points higher.

Trading value on the Ho Chi Minh Stock Exchange (HoSE), on which the index is based, fell 2 percent to VND19.46 trillion (\$853.88 million).

The VN30 basket, comprising the 30 largest capped stocks, saw 29 tickers in the green, led by GAS of state-owned Petrovietnam Gas with a 3.7 percent gain.

The ticker is now at a three-month high as crude oil prices continue to increase.

Other energy stocks that rose included POW of electricity producer Petrovietnam Power

Corporation, up 2.2 percent, and PLX of fuel distributor Petrolimex, up 1.7 percent.

MSN of conglomerate Masan Group went up 3.1 percent to the highest in over six weeks.

KDH of real estate firm Khang Dien House and PDR of Phat Dat Real Estate Development both gained 2 percent.

BVH of insurance company Bao Viet Holdings was the only blue chip ticker that bucked the trend as it fell 0.9 percent.

Foreign investors were net buyers to the tune of VND760 billion with focus on KBC of industrial real estate developer Kinh Bac City.

The HNX-Index for stocks on the Hanoi Stock Exchange, home to mid and small caps, rose 0.26 percent while the UPCoM-Index for the Unlisted Public Companies Market gained 0.55 percent.

## Macro & Policies

### 2. Steel prices rise 5 pct, nears historic peak

Steel prices in Vietnam have increased by 2-5 percent in the last two weeks on the back of global price increases and are not far away from reaching last year's peak.

The Thai Nguyen Iron and Steel Jsc has increased its rolled steel prices to VND17.3-17.6 million (\$759-772) per tonne, up by around 2 percent from the first week of February.

The Hoa Phat Group, meanwhile, has upped prices by 3.7-5 percent to VND17.15 million per ton, which is just 4.6 percent away from the previous historic peak of VND18.3 million last year.

Some industry insiders anticipate that prices will rise even higher.

"There could be two or three increases this year, pushing prices up by VND1 million", said Ngoc, a steel distributor in Hanoi.

Vietnam's steel prices have been rising up as China, the world's biggest exporter and manufacturer, pushed prices up by nearly 6 percent two days ago to a five-month high of \$756 per ton.

The shortage of supply and rising demand as countries push recovery from Covid-19 is said to be the reason for the price increase.

### 3. Car sales down 34 per cent in January

As many as 30,742 cars were sold in Viet Nam in January, a decline of 34 per cent compared to the previous month, according to a report issued by the Viet Nam Automobile Manufacturers Association.

Of the sold units, 25,279 were passenger cars, down 31 per cent year-on-year; 5,177 were commercial vehicles, down 44 per cent; and 286 were special-purpose vehicles, down 53 per cent.

Sales of domestically assembled cars reached 17,782 units in January, a month-on-month decrease of 31 per cent, while imported completely built units were 12,960 units, down 38 per cent.

A 50 per cent reduction in the registration fee, which came into effect in December 2021 and will last until the end of May this year, was a reason why customers preferred domestically assembled cars.

However, experts said these figures did not fully reflect the situation in Viet Nam's automobile market, as they did not include sales of brands such as Audi, Jaguar Land Rover, Mercedes-Benz, Subaru, Volkswagen, and Volvo.

TC Motor and VinFast were reported to sell 7,428 and 2,103 vehicles in January. If figures from TC

Motor and VinFast are included, a total of 40,273 units were sold across the country during the month.

Hyundai led all brands in January sales with 7,428, followed by Toyota with 6,582; Kia, 5,445; Honda, 3,771; and Mitsubishi, 3,581.

Representatives of TC Motor and domestic automobile assemblers and manufacturers attributed the decline in car sales to difficulties in car registration and other shopping demands during the Tet (Lunar New Year) Festival.

But they believe that the manufacturing and assembling, as well as domestic auto market, will continue to grow this year with the Government's supporting measures and the COVID-19 pandemic gradually being better controlled.

According to General Director of Ford Viet Nam Pham Van Dung, it is forecast that domestic sales will hit 500,000 units in 2022 as the country's economy is recovering and a 50 per cent reduction in the registration fee for domestically assembled cars will be applied until the end of May.

#### 4. Samsung invests another \$920 mln in northern plant

Samsung has received permission to invest an additional \$920 million in its electronic components plant in the northern province of Thai Nguyen.

The license, awarded to the South Korean's electronics giant's Samsung Electro-Mechanics unit, will increase its total registered investment in the province by 68 percent to \$2.27 billion.

Samsung, Vietnam's biggest foreign direct investor, first invested \$1.3 billion in the electro-mechanics unit in 2013. The unit produces main boards and other electronics components.

As of last year, Samsung had invested \$18 billion in Vietnam. It has six plants in the country and is building a new research and development center in Hanoi.

#### 5. Taiwanese fund launched with VinaCapital as advisor

Taiwan's Jih Sun Securities Investment Trust has signed up VinaCapital Fund Management JSC as the investment advisor for its newly launched fund in Viet Nam.

The Jih Sun Vietnam Opportunity Fund (JSVOF) IPO, which closed on January 19, raised US\$143 million.

In 2021 VinaCapital's Vietnam-domiciled open-ended equity funds led the industry, widely outperforming the benchmark VN Index, which itself grew by 36 per cent, making it the top performing stock market in Southeast Asia and one of the best in the world.

Richard Kao, JS chief investment officer, said "Taiwanese people have long heard about the enormous growth that has been occurring in Viet Nam over the past few years and which is set to continue for the foreseeable future.

"With a young population, a growing middle class, steady inflows of foreign investment, growing

exports, and a stable macro economy, Viet Nam is well-positioned for robust economic growth in the coming years. In fact, in 2022, GDP growth could reach 7 per cent or more.

"Viet Nam's potential is something Taiwanese companies have known for several years now, and they have been leading investors. But until very recently Taiwanese retail investors had few options to participate in the growth of this dynamic market, which is what prompted us to launch JSVOF.

"We believe Viet Nam's post-COVID reopening this year should offer a relatively good market timing to launch the Taiwan-domiciled public fund JSVOF."

Brook Taylor, CEO of VinaCapital Fund Management, said: "More people around the world are becoming aware of Viet Nam's compelling economic growth story and are eager to find ways to participate in it. We are honoured to partner with Jih Sun to help its clients do just that."

#### 6. International flights resume to 19 destinations

Regular flights have resumed to 19 international destinations a month after the Vietnamese government reopened the country's borders.

Vietnamese carriers are flying to Bangkok, Doha, Dubai, Frankfurt, Hong Kong, Istanbul, Kuala Lumpur, London, Moscow, Paris, Phnom Penh, San Francisco, Seoul, Singapore, Sydney, Taipei, Tokyo,

and Vientiane, the Civil Aviation Authority of Vietnam said in a report.

China only allows outbound flights as it still pursues a zero-Covid policy with stringent entry restrictions.

Vietnam allowed a gradual resumption of aviation services on January 1 after over two years of suspension.

Some 153,000 people have so far flown into or out of the country.

On Tuesday the country ended all restrictions on international flights.

## **7. China suspends trade at Vietnam border gate**

China has suspended trade through the Kim Thanh Border Gate in Vietnam's Lao Cai Province after discovering Covid-19 cases on its side, leaving 350 container trucks stranded.

Kim Thanh was one of the border gates blocked last year when China adopted a 'zero Covid' policy and restricted trade with Vietnam.

With Chinese authorities placing the Hekou Yao Autonomous County under lockdown, it is unclear when the trucks can cross the border.

In another Vietnamese province, Lang Son, nearly 2,000 trucks had queued up as of Thursday to enter China.

The Ministry of Industry and Trade has advised exporters to watch the border situation when making business plans to avoid losses.

China was Vietnam's second-largest export market for agricultural, forestry and fishery products behind the U.S., posting an export turnover of \$8.4 billion in the first 11 months of last year, accounting for 19.2 percent of Vietnam's total agricultural exports.

## Corporate News

### 8. PNJ: PNJ plans to spend more than 136 billion VND to pay dividends

↑ 1.51%

The Board of Directors of Phu Nhuan Jewelry Joint Stock Company ( HOSE : PNJ ) has just approved the Resolution to advance cash dividend for the first period of 2021.

The payout ratio is 6% (1 share gets 600 VND). The ex-dividend date is March 7, 2021 and the expected payment date is April 7, 2022.

With more than 227 million shares outstanding, it is expected that PNJ will spend more than VND 136 billion to pay dividends to shareholders

In addition, PNJ plans to hold the 2022 Annual General Meeting of Shareholders in the period from April 16 to April 30, 2022. The last registration date to exercise the right to attend the General Meeting is March 8, 2022.

Regarding business activities, at the end of the fourth quarter of 2021, PNJ recorded net revenue of nearly VND 7,099 billion, up 21% over the same period and net profit of more than VND 457 billion, up 7%.

For the whole year of 2021, PNJ recorded a 12% increase in net revenue compared to 2020, to more

than VND 19,613 billion. Notably, financial income jumped to VND 16 billion, nearly 7 times higher.

During the year, financial expenses and administrative expenses simultaneously decreased. In contrast, selling expenses increased by 19% to nearly VND 1,694 billion.

As a result, PNJ earned nearly VND 1,033 billion, a slight decrease compared to the implementation in 2020.

In 2021, PNJ sets a target of net revenue of VND 21,006 billion and net profit of VND 1,230 billion, increasing by 20% and 15% respectively compared to the previous year's results. Compared to the plan, PNJ has achieved 94% of net revenue target and 84% of profit target.

PNJ 's total assets by the end of 2021 was nearly VND 10,547 billion, up 24% compared to the beginning of the year. In which, inventory accounted for 82%, worth nearly VND 8,687 billion, up 33%.

Liabilities at this time also increased by 40%, to more than VND4,530 billion, mostly short-term loans, recorded at nearly VND2,722 billion (up 48%)..

### 9. VHC: Sales in January decreased by 13% compared to the previous month

↑ 2.18%

Vinh Hoan Joint Stock Company ( HOSE : VHC ) has just announced its business results in January 2022 with total revenue of VND 777 billion, up 23% over the same period last year but down 13% from the previous month (December 2021). ).

In terms of export markets in January 2022, the US increased by 25% over the same period, Europe increased by 20%. In contrast, the Chinese market fell 36%.

Notably, compared to December 2021, export revenue to China dropped by 84%.

On the side of VHC 's subsidiary, Sa Giang Import-Export Joint Stock Company ( HNX : SGC ), revenue increased slightly compared to the previous month, reaching VND 48.08 billion. In which, shrimp crackers increased by 14%, rice products decreased by 28%.

In another development, recently, the Board of Directors of VHC has just approved the Resolution to contribute capital at Thanh Ngoc Agricultural Products and Food Company Limited. Specifically, VHC agreed for its subsidiary, Vinh Phuoc Food, to

contribute capital to Thanh Ngoc Agro-Food and Agricultural Products Co., Ltd. with land use rights with a contributed capital value of nearly VND 42 billion.

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