



VIETNAM DAILY NEWS

February 28th, 2022



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Market Analysis

1. VN-Index inches up

SVietnam's benchmark VN-Index rose 0.27 percent to 1,498.89 points Friday, continuing to go sideways as uncertainties of the Russian-Ukraine tension urged investors to tread cautiously.

The index rose by up to 16 points in the morning but gradually declined throughout the day and closed four points higher. It dipped 17 points Thursday when Russia launched its military operation in Ukraine.

Trading value on the Ho Chi Minh Stock Exchange (HoSE), on which the index is based, fell nearly 27 percent to VND25.62 trillion (\$1.12 billion). The VN30 basket, comprising the 30 largest capped stocks, saw 14 tickers in the green, with several banking stocks gained as investors picked up the dip.

VPB of private lender VPBank gained 3.5 percent, TPB of private TPBank rose 2.5 percent and HDB of HDBank increased by 1.6 percent.

Other gainers included SSI of leading brokerage SSI Securities Corporation, up 2.5 percent, GVR of Vietnam Rubber Group and KDH of real estate firm Khang Dien House, both up 0.9 percent.

Thirteen blue chip stocks fell, with VJC of budget airline Vietjet losing 2 percent, PLX of fuel distributor Petrolimex falling 1.6 percent and GAS of state-owned Petrovietnam Gas dropping 1.5 percent.

Foreign investors were net sellers to the tune of VND67 billion with focus on HPG of steelmaker Hoa Phat Group and VND of brokerage VNDirect.

The HNX-Index for stocks on the Hanoi Stock Exchange, home to mid and small caps, rose 1.21 percent while the UPCoM-Index for the Unlisted Public Companies Market gained 0.3 percent.

Macro & Policies

2. Singapore leads FDI pledges in Vietnam this year

Singapore topped the foreign investors' list with more than \$1.7 billion, up 59.3 percent year-on-year in the first two months of this year.

It was followed by South Korea with over \$1.4 billion, down 12 percent, and China with nearly \$538 million, down 29.3 percent, according to the Foreign Investment Agency (FIA) under the Ministry of Planning and Investment.

As of Feb. 20, 51 countries and territories had pledged to invest a total amount of \$5 billion in the country; 91.5 percent of the same period last year. FDI disbursement in the first two months rose 7.2 percent against last year to \$2.7 billion, the FIA said.

The investments in the first two months this year had gone into 17 industries, with the processing and manufacturing industry dominating with an intake

of over \$3.13 billion, or nearly 63 percent of the total registered capital.

The real estate segment ranked second with a total capital of more than \$1.5 billion, making up more than 30 percent of the total.

Among large-scale FDI projects registered in the first two months are one to build urban service infrastructure for the Vietnam Singapore Industrial Park in the northern province of Bac Ninh, which attracted an additional capital of \$941 million, and the Samsung Electro-mechanics Vietnam Company project with an increased investment capital of \$920 million in the northern province of Thai Nguyen.

Ho Chi Minh City continues to lead in overall FDI attraction with more than \$52.8 billion, accounting for 12.6 percent of the total, followed by its neighbor Binh Duong Province with nearly \$37.8 billion and Hanoi with nearly \$37.6 billion.

3. Property-buying consumer survey released

VA study of consumer sentiment in the domestic real estate market in the first half of 2022 was launched on Friday by Batdongsan.com, the leading real estate trading website in Viet Nam.

Based on an online survey of more than 1,000 people nationwide at the end of 2021, the study measures the sentiment of buyers and sellers in the property market and expectations about future prospects.

According to this study, homebuyers in Viet Nam tend to seek green and spacious areas. Sixty-one per cent of people surveyed want to live near green space, and 45 per cent are looking to move to the suburbs and less crowded areas.

The top factors buyers look for are entertainment areas, schools, trees and public transport. Many older married Vietnamese people have a higher income and high demand for these factors.

Fifty-two per cent of people surveyed think that real estate prices are too high, but 72 per cent said they need to buy real estate and that real estate prices have decreased due to COVID-19.

Meanwhile, 31 per cent expect real estate prices to continue to increase by more than 10 per cent in the next five years. This is why many Vietnamese prefer to invest in real estate, according to Nguyen Quoc Anh, Batdongsan.com director.

Ninety-two per cent of people surveyed plan to buy real estate in the future.

More than half are looking to buy a house in the next two years, with HCM City and Ha Noi the two most attractive locations for buyers, followed by nearby cities and provinces.

The biannual real estate consumer sentiment study will measure buyer confidence and expectations.

Robert Vu, CEO of Batdongsan.com, said: "Our website has developed the data on the local property market and published many reports relating to this market. However, the market still needs information about trends of real estate buyers, so we implement this sentiment study."

Sushmita Mohapatra, head of content marketing at PropertyGuru, said: "The study's findings show that Viet Nam's real estate trends are similar to those in other countries in the region. For example, most Vietnamese, Singaporeans, Malaysians, and Indonesians want to own homes in less congested areas, and most expect real estate prices to rise in the future, particularly in Viet Nam and Malaysia, which have high urban and real estate development rates."

"We believe that the report results have objectively and fairly reflected market realities in various nations over many years and that this report will be an important and effective reference tool for property customers in particular, as well as the Vietnamese real estate market in general."

The real estate consumer sentiment study has been conducted since 2009 in four other countries, Singapore, Indonesia, Malaysia and Thailand, by PropertyGuru, the parent company of Batdongsan.com.

"This report has a history of more than 12 years in the Southeast Asia market. It has been used by users as well as media agencies in the region as a reference source when assessing market fluctuations and real estate consumer sentiment," said Mohapatra.

4. EVFTA helps compensate for pandemic-caused economic downturn: experts

The implementation of the EU - Viet Nam Free Trade Agreement (EVFTA) has greatly helped make up for a downturn in the economy caused by the COVID-19 pandemic, according to experts.

Nguyen Thi Thu Trang, Director of the Centre for WTO and International Trade at the Viet Nam Chamber of Commerce and Industry (VCCI), said since the EVFTA took effect on August 1, 2020, trade between Viet Nam and the EU has posted impressive growth.

Despite numerous pandemic-triggered difficulties, Viet Nam's exports to the EU still hit US\$40.06 billion and imports \$16.89 billion last year, respectively rising 14.1 per cent and 15.3 per cent from 2020.

After more than one year of the EVFTA enforcement, more businesses have grasped and made use of preferential tariffs under this deal. From the date it came into force to the end of 2020, the EUR.1 certificate of origin was used for \$2.35 billion in exports while 15.1 per cent of the shipments to the EU benefited from preferential tariffs. The respective figures stood at \$5.15 billion and 22.5 per cent in the first seven months of 2021, Trang noted at a workshop in Ha Noi on Friday.

Dr Le Dang Doanh, an economic expert, described the EVFTA signing as a demonstration of Viet Nam's

success in diversifying its external economic relations to avoid overdependence on a single market or a single source of supply and reduce risks for the economy.

The Vietnamese and EU economies were complementary to each other, so the EVFTA implementation benefits both sides, he said, elaborating that Viet Nam could import the products it is unable to make from the EU, which in turn could import the commodities Viet Nam has strength in such as apparel and agricultural products.

The agreement also helped facilitate institutional reform in Viet Nam, he added.

Trade experts held that amid the pandemic's adverse impacts on the entire trade and investment activities in the world, including Viet Nam, the EVFTA enforcement held great significance as it helped compensate for a downturn in the economy, diversify market opportunities, and create momentum for post-pandemic growth.

This was also a chance for enterprises to engage in new supply chains replacing the traditional ones that were currently interrupted or stagnant due to COVID-19, they added.

However, they also pointed out that because of limited capacity, Vietnamese businesses still faced certain problems in utilising preferential tariffs.

To further grasp opportunities, Trang underlined the need to improve domestic firms' capacity,

recommending enterprises be more proactive in all trading activities.

In addition, authorities also needed to provide necessary assistance in terms of market information, trade promotion, and business climate improvement, she added.

5. Pandemic-hit firms to enjoy preferential interest rate credit package

Loans of pandemic-hit enterprises will enjoy an interest rate cut of 2 per cent under a Government support package to remove difficulties for the businesses.

The total preferential interest rate package is worth VND40 trillion, which comes from the State budget.

The proposal was drafted in the State Bank of Vietnam (SBV)'s decree on interest rate support from the State budget for loans of enterprises, cooperatives and business households, which has been made public for comment.

According to the draft, beneficiaries of the preferential interest rate credit package are enterprises, cooperatives and business households in aviation, transportation, warehousing, tourism, accommodation-food services, education-training, agriculture, forestry, fishery, industry, manufacturing, processing, software, computer programming and IT industries.

Besides, businesses, whose loans are used for the purpose of building houses to sell or rent to workers, social houses, and renovating old apartment buildings on the list of projects announced by the Ministry of Construction, will also be beneficiaries.

Under the draft, loans of the borrowers, which have been disbursed from January 11, 2022 to December 31, 2023, will enjoy the interest rate cut. However, the borrowers will not be supported with the interest rate cut if their loans have overdue principal balances or late payment interest.

Dao Minh Tu, SBV's deputy governor, said the Government assigned the SBV, in coordination with the Ministry of Finance and the Ministry of Planning and Investment, to draft the decree according to

Resolution No. 43/2022/QH15 on fiscal and monetary policies and Resolution No. /NQ-CP on the socio-economic recovery and development programme of the National Assembly.

According to the draft, commercial banks will get the interest rate aid package totalling VND40 trillion from the Ministry of Finance to provide the loans to the borrowers.

To prevent frauds, the draft stipulates if the borrowers use the loans for improper purposes according to the conclusions of the competent authorities, they will have to repay the interest rate cut amount for the State budget.

According to SBV Governor Nguyen Thi Hong, the banking industry cut lending interest rates three times totalling 1.8 percentage points in the past two years.

From July 15 to December 31, 2021, 16 commercial banks cut over VND21.24 trillion (US\$936 million) of loan interest for COVID-19-hit customers. Of which, Agribank made the sharpest reduction with more than VND5.51 trillion for more than 3.5 million customers. It was followed by Vietcombank with VND4.63 trillion for 269,644 customers and BIDV with more than VND4.12 trillion for 452,746 customers.

Besides the Government's preferential interest rate package, the banking industry will strive to continually reduce the lending rate by 0.5-1 percentage points in 2022 and 2023.

6. HCMC financial center proposal shelves entertainment focus

The international financial center being planned for HCMC will not focus on entertainment complexes and casinos, according to the first draft plan for the center.

Under the draft, it will have three main components: a money market & banking system, a capital market, and a derivatives market.

The city will build four specific action programs: Fintech, digital banking and financial service development; regional integration; Thu Thiem financial - commercial and financial zone development; and derivatives market development.

The roadmap for the city's financial center envisages first five-year (2021-2025) phase as a period when the city would consolidating its role as a national

financial center. It would grow into a regional hub by 2030, and be among the top 20 international financial centers by 2045.

Phan Thi Thang, HCMC Vice Chairwoman, said the draft plan will be further revised and completed in March before it is submitted to relevant ministries get their comments in April.

The draft plan is built from two proposals by the Fulbright University Vietnam and the Imex Pan Pacific Group as well as feedback and recommendations from other experts.

In 2019, HCMC announced a plan to build a VND4.9 trillion (\$210 million) financial, banking and trade center in Thu Thiem New Urban Area.

7. Việt Nam joins the race to develop 6G

The Ministry of Information and Communications has established a steering committee on the research and development of sixth-generation wireless (6G) technology.

Led by Minister Nguyễn Mạnh Hùng, the committee is responsible for researching and proposing to the competent authorities strategies, mechanisms and policies on how to beef up the development of 6G in the country.

It is in charge of monitoring the research and development on standards, production and commercialisation of 6G technology in the world, as well as combining research, forecast development trends of the domestic and international telecommunications markets.

The committee will also devise a roadmap for research, testing, production and commercialisation of 6G equipment and services and propose solutions to support Vietnamese enterprises in the production and commercialisation of 6G equipment and services.

This move is in line with Việt Nam's policy of developing 6G technology in 2022 which Minister

Nguyễn Mạnh Hùng emphasised in a meeting last month. He said it's high time for Việt Nam to get ahead of the development curve and strengthen its digital infrastructure with an objective to become one of the world's leading nations in 6G technology.

Việt Nam is in the phase of commercial testing of 5G networks, provided by Viettel, VNPT and MobiFone in some big cities (only certain areas) with an average download speed of about ten times faster than 4G.

According to the press release on the ministry's website, the ministry will possibly license 6G frequencies in 2028, before the commercialisation of 6G.

6G technology is the successor to 5G cellular technology which is expected to support data rates of 1 terabyte per second and will take us one step further to the virtual world.

Several technologies of potential are being considered as enablers for the 6G network, such as Free Space Optics, quantum communications, unmanned aerial vehicles, artificial intelligence (AI), and big data analytics. The application of the 6G

network is expected to help build a super-smart society with smart houses, smart transport, and smart cities, to improve the quality of life for citizens.

According to the cycle of development, each new generation of networks is usually deployed after 10 years and 6G is expected to be commercialised by 2030. Countries around the world, including the US, South Korea, China, Japan, and Finland have already joined the race for 6G network development.

According to information technology experts, despite being the trend of the future, commercialisation will depend on many factors

such as user demand, terminal equipment, and the investment performance of enterprises.

However, the early involvement in 6G research and design would benefit enterprises as once they own patents related to communications standards they would be able to reap substantial benefits through selling software and equipment.

Currently, 4G networks cover 99.8 per cent of the nation, with the number of smartphone owners in Việt Nam increasing from 59.2 per cent in 2018 to 75 per cent in 2021. The Vietnamese government expects that from 2023, all Vietnamese people will own smartphones, making 5G commercialisation “an inevitable reality”.

Corporate News

8. AGM: AGM targets a 22% increase in pre-tax profit in 2022

↑ 6.06%

Despite giving quite negative comments about the business situation in 2022, An Giang Import and Export Joint Stock Company (HOSE : AGM) still sets a target of double revenue in 2021.

According to AGM , the Company's business activities will face many difficulties in 2022. In which, the food segment of the company will face difficulties in 2022 due to unstable weather conditions, logistics activities cannot return to the state. normalcy and competition with other rice exporting countries.

As for the Trade - Service segment in cooperation with Honda Vietnam, AGM said that the partner's continued reduction in production volume will affect the Company's sales.

Finally, the High-Tech Agriculture segment, AGM said that this segment was strongly affected by the high price of input materials, which reduced business efficiency.

However, for 2022, AGM still sets a target of consolidated revenue of more than VND 8 trillion

and pre-tax profit of VND 70 billion, respectively doubling and increasing by 22% compared to the results achieved in 2022. .

In which, AGM 's food revenue target is VND 6,600 billion, double the previous year.

To implement the above plan, AGM plans to launch new projects and expand customers in the Food segment. For the Trade - Service segment, the Company will cooperate with Vinh Khanh Tire One Member Limited Liability Company to sell tire products.

In the High-Tech Agriculture segment, AGM will increase its charter capital and transform Dasco Company from a one-member limited liability company into a joint-stock company to expand the market and diversify san rphaarm with the revenue target of 2022 reaching VND 800 billion, 5 times more than in 2021. In addition, the Company will establish Angimex Agricultural Service Co., Ltd. to expand services to farmers and raw material areas.

9. PDN: Dong Nai Port is about to pay 15% cash dividend

↓ -5.73%

The Ho Chi Minh City Stock Exchange has just announced that Dong Nai Port Joint Stock Company (HOSE : PDN) will advance the first dividend of 2021 in cash to shareholders.

The ex-dividend date is March 17, 2022 and the payment date is April 6, 2022.

The execution rate is 15% (1,500 VND/share). With more than 18.5 million shares outstanding, it

is expected that PDN will spend nearly VND 28 billion to pay dividends to shareholders.

Regarding the financial situation, by the end of 2021, net revenue reached nearly VND 893 billion, up 12% and net profit was nearly VND 161 billion, almost flat compared to 2020. Compared to the plan, the unit has Exceeded 9% of revenue target and 10% of 2021 after-tax profit target.

Research Team:**Tsugami Shoji**

Researcher

jsi@japan-sec.vn**Disclaimer:**

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Japan Securities Co., Ltd – JSI

Address: 14F, TNR Tower, 54A Nguyen Chi Thanh, Lang Thuong, Dong Da, Hanoi

Tel: (024) 3791 1818

Fax: (024) 3791 5805

Email: info@japan-sec.vn

Website: www.japan-sec.vn