



# VIETNAM DAILY NEWS



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## Market Analysis

### 1. Strong recovery boosts VN-Index above 1,500 points

The stocks market recorded a strong rally on Thursday, with benchmark indices regaining all losses from the previous session while the VN-Index even topped 1,500 points.

The VN-Index on the Ho Chi Minh Stock Exchange (HoSE) finished the trading day at 1,505 points, up 19.48 points, or 1.31 per cent. It lost 13.26 points on Wednesday due to strong selling pressure.

The market's breadth was positive as 337 stocks rose, while 115 stocks declined.

Liquidity also surged in the afternoon session with over VND30.16 trillion (US\$1.32 billion) worth of shares, equal to a trading volume of more than 929.2 million shares, traded on HoSE.

The index's strong recovery was driven by the strong return of cash flow, leading to sharp gains in many large-cap stocks.

Accordingly, the VN30-Index posted a jump of nearly 24 points, or 1.59 per cent, to 1,522.49 points. Twenty-four of the 30 biggest stocks in the VN30 basket edged higher yesterday, with one stock reaching the ceiling price, while only five stocks dropped and one ended flat.

Hoa Phat Group (HPG) was the pillar stock that hit the ceiling price, and also led the market's uptrend.

Other big stocks contributing to the rally were VPBank (VPB), Vietnam Rubber Group (GVR), Novaland (NVL), Vietinbank (CTG) and PV Gas (GAS). These stocks also rose at least 1.26 per cent.

Cash flows also focused on logistic and commodities stocks, such as Hai An Transport & Stevedoring JSC (HAH), Vietnam Ocean Shipping JSC (VOS), Vietnam Container Shipping JSC (VSC), and Petroviet Nam Ca Mau Fertiliser JSC (DCM), with HAH, VOS, VSC hitting the maximum daily gain of 7 per cent.

On the Ha Noi Stock Exchange (HNX), the HNX-Index also edged higher yesterday. The index was up 7.06 points or 1.6 per cent to 449.31 points.

During the session, investors poured nearly VND3.7 trillion into the northern bourse, equivalent to a trading volume of 122.3 million shares.

Meanwhile, foreign investors also returned to the market after a strong sell-off in the previous session. Of which, they net bought a value of VND539.55 billion on HoSE, and a value of VND26.01 billion on HNX.

## Macro & Policies

### 2. Sun Group launches first luxury airline in Việt Nam

Real estate and entertainment firm Sun Group has launched Sun Air, the first luxury airline in Viet Nam, providing private jet management and air charter services, and sightseeing flights using helicopters and seaplanes.

Sun Air targets high-class customers requiring high standard services. It aims to become a global private jet airline using aircraft with the highest speeds in the world.

Dang Minh Truong, Chairman of Sun Group, said that the launch of the airline is part of the firm's sustainable development roadmap, adding a new product to its high-quality ecosystem and contributing to inspiring the growth of the high-end section in the Vietnamese aviation market.

With its charter flight and sightseeing services using helicopters and seaplanes, Sun Air will connect Sun Group's resort-entertainment-real estate products to form the first close, safe, luxurious and private service in Viet Nam.

In the third quarter of 2022, Sun Air will operate two Gulfstream G650ER jets. In the 2023-2025 period, the airline plans to use four Gulfstream G650ER, one Gulfstream G700, one helicopter and two seaplanes.

In the future, the airline expects ultra-large and ultra-long jets such as Boeing BBJ and Airbus ACJ.

The airline is working with leading brands such as Agusta, Airbus, Sikorsky, De Havilland Canada, Cessna, and Textron to provide safe and extraordinary experience to customers.

### 3. Viet Nam speed up disbursement for economic recovery programme

Viet Nam will soon disburse at least 50 per cent of the VND350 trillion (US\$15.42 billion) economic recovery package, the largest in its history, aiming to reboot the country's economy after a long period of social and mobility restriction due to the pandemic.

The package is part of Government Resolution 11/NQ-CP issued on January 30 on socio-economic recovery measures, and Resolution 43/2022/QH15 on fiscal and monetary policies.

The programme will support business and long-term national development, according to the Minister of the Ministry of Planning and Investment (MPI) Nguyen Chi Dung.

He said the economy would encounter many difficulties this year, however, Resolution 11 would create new drivers for the country's growth in 2022 after two years of interruption.

Deputy Minister of MPI Tran Quoc Phuong said his ministry had asked agencies to urgently carry out support policies for businesses. Ministries and provinces have to send their monthly reports on the results to the MPI for submission to the Government.

Phuong said many ministries and agencies have prepared support policies for businesses. For instance, the Finance Ministry has reduced value-added tax for businesses and the State Bank of Vietnam is developing and collecting comments for the Draft Decree on interest rate support from the State budget for loans of enterprises, cooperatives and business households.

The programme stipulates that the opening of the economy should adhere to the investment in healthcare. It also announces a detailed roadmap for reopening tourism, aviation, entertainment, culture and arts, while ensuring pandemic safety.

Under the programme, a support package worth VND6.6 trillion will be spent on providing housing rental subsidies for labourers who are working in industrial parks, export processing zones and key economic regions.

Those who return to work will receive support in cash for renting houses in three months, and they can access capital for production development with a loan worth up to hundreds of millions of Vietnamese dong.

Under the programme, VAT reduction has been applied. Accordingly, the Government slashed the value-added tax rate from 10 to 8 per cent earlier this month.

### Drastic implementation

Prime Minister Pham Minh Chinh on February 12 signed a dispatch calling for speedy execution of the socio-economic recovery and development programme as well acceleration of disbursement.

Accordingly, the Prime Minister requested the effective implementation of the COVID-19 pandemic prevention and control programme for 2022-2023 and work to ensure safe production.

Government agencies are required to develop specific action programmes and plans to carry out Resolution No 1, with a focus on coordination of monetary, fiscal and other policy tools to maintain macroeconomic stability, curb inflation and ensure safety of credit institutions.

At a conference on the Resolutions of the Government and the National Assembly on fiscal policy for economic recovery last month, Deputy Prime Minister Le Minh Khai emphasised that resources should be allocated appropriately to avoid the "ask - give" approach and slowing down the programme.

Phan Duc Hieu, a Standing Member of the National Assembly's Economic Committee, said ministries and agencies must promptly issue regulations to put policy into practice.

Economist Can Van Luc said that the recovery programme was feasible and absorption capacity would be ensured.

Luc added that it was essential to improve the coordination of ministries and agencies involved in fiscal and monetary policy. This would neutralise the money supply, as well as control interest rates and inflation.

Luc said Viet Nam needed to accept the increasing public debt and budget deficit and rising credit growth under control in the 2022-2023 period. The country could increase its budget spending and credit growth at a reasonable level of between 13-14 per cent per year. From 2024, the Government will start controlling these balances in a healthier way.

He was upbeat about a positive recovery for the world and Viet Nam's economies. The world's economic growth is expected to grow between 4.5-5 per cent and Viet Nam to be around 6.5-7 per cent.

Many economists said that ministries and agencies involved in deploying the programme needed to consult the business community to quickly adapt to make the programme more effective.

## 4. Farm, forestry, fishery exports rise by 15.8 pct

Agriculture, forestry and fisheries exports increased by 15.8 percent year-on-year in January-February to US\$8 billion.

Farm exports led with \$3.2 billion, up 10.2 percent, according to the Ministry of Agriculture and Rural Development.

High growth was seen in items like shark catfish (83 percent), black pepper (44 percent), coffee (36 percent), and rice (22 percent).

Some like tea, vegetable and tapioca declined.

The U.S. remained Vietnam's largest market with a 28 percent share, followed by China and Japan with 16 percent and 7.3 percent.

Rubber replaced fruits and vegetables as the largest export item to China after that country tightened its Covid-19 safety measures.

Vietnam imported over \$6 billion worth of agro-forestry and fishery products in the first two months, a 10 percent rise.

## 5. Large postal firms race for logistics industry

A number of big postal enterprises in Viet Nam, such as Viettel Post and Vietnam Post, are racing to tap into the local logistics market with a scale of nearly US\$62 billion.

Besides the delivery sector, Viettel Post has invested heavily in logistics, e-commerce, and technology to become the country's leading logistics enterprise based on high technology, baodautu reported.

The online newspaper cited Tran Trung Hung, general director of Viettel Post, as saying that his company would focus on investing in warehouses, vehicles, warehouse logistics and international freight forwarding in 2022 and the following years.

Viettel Post would also make sufficient investment in technology appliances to solve problems in the logistics service chain, considering it the most competitive for logistics service providers, Hung said.

He added that the firm also planned to build a smart logistics and distribution centre run under the world's smart warehouse model. It was expected to increase its automation warehouse rate to 50-60 per cent.

Vietnam Post has also made a similar move, making strong penetration into the logistics market. The company said on its website that logistics became one of its five key business pillars in 2022.

It established Vietnam Post Logistics Company, which focuses on providing warehousing services, order fulfilment services, international transportation services, import and export, customs, and first-mile transportation.

According to Nguyen Dinh Cuong, Director of Vietnam Post Logistics Company, in the future, along with ensuring operation and improving services that optimise costs for customers, Vietnam Post Logistics would continue to focus on investment and development in infrastructure of more than 350,000m<sup>2</sup> of warehouses.

These will include bonded warehouses, cold storage associated with a supply chain system dedicated to

agricultural logistics, e-commerce warehouses in key economic regions, and a system of distribution centres.

The company carefully calculated the location of each warehouse and works with organisations to ensure convenience in transactions and high connectivity, Cuong said, adding that it also set up end-to-end logistics control centres and improved information technology capabilities to support strategic logistics goals gradually.

According to the Vietnam Post, Logistics Company is striving to become a "billion-dollar enterprise" and a leading logistics service provider in Viet Nam by 2025 with branches and offices in many countries worldwide such as the US, the EU, Japan and Laos.

Analysts said that the boom in e-commerce facilitated the development of the logistics industry in 2021. Last year, the Vietnamese e-commerce market grew by 16 per cent year-on-year to reach \$14 billion.

It is forecast that the scale of Vietnam's e-commerce could reach \$52 billion in 2025, which would create enormous opportunities for postal companies.

Nguyen Vu Hong Thanh, Director of the Postal Department, said that the postal industry was emerging as an important industry for national socio-economic development, enjoying many opportunities in development to become the infrastructure of the digital economy.

As shared-platform business models explode, new-generation retail and e-commerce business models will need a widespread delivery infrastructure to get goods to consumers.

She said this was an advantage that not many fields had. When smart devices were popularised, the postal infrastructure needed to become a more robust support bridge for e-commerce activities, especially in rural areas, she said.

Despite many challenges faced due to the pandemic, the postal industry still achieved an average growth rate of between 20-30 per cent in 2021.



The Postal Development Strategy to 2025 will focus on promoting e-commerce and logistics fields with market size of up to \$70-80 billion by 2025,

promoting the transition of the postal industry from traditional to digital services.

## 6. HCM City posts 5.9% growth in exports, an increase in export orders

HCM City exports were up 5.9 per cent to reach US\$7.38 billion in the first two months of the year, according to the municipal Statistic Office.

Exports, excluding crude oil, reached \$7.11 billion, a year-on-year increase of 4.3 per cent.

The State economic sector earned \$343.7 million from exports, up 22.8 per cent, the non-State economic sector \$2.28 billion, up 33.7 per cent and the foreign-invested sector \$4.27 billion, down 3 per cent over the same period, it said.

Export value of industrial products in the period went up by nearly 43 per cent to over \$5.3 billion, accounting for 77 per cent of the city's total export value.

Of which, exports of computer, electronic products and components were up by 20 per cent to \$2.6 billion, garment and textile up by 88.2 per cent to \$797.6 million, and machinery, equipment and accessories up by 47.7 per cent to \$456.5 million.

Export of agricultural products reached \$695.3 million, a year-on-year increase of 63.3 per cent and accounted for over 10 per cent of the total.

China remained the southern city's biggest buyer, with a turnover of nearly \$1.32 billion, accounting for 19.2 per cent of the total and down 16.4 per cent over the same period in 2021. It was followed by the US with export value and proportion almost the same as that of China.

Many businesses in HCM City have reported that they have received export orders until the end of the first half and some even until the end of the year.

Firms involved in the rubber and plastic sector have export orders increased by 10-30 per cent compared to the same period.

Tran Viet Anh, general director of Nam Thai Son Import-Export Joint Stock Company, said after a long

time of global production stagnation due to the impact of the COVID-19 pandemic, global inventory output is currently at very low level, while consumer demand has gradually recovered.

Currently, orders are increasing from many markets, businesses are not worried about lack of orders, but about not having enough resources to produce because raw material prices and freight rates are high, he said.

Similarly, garment and textile firms have orders until the end of the second quarter, some enterprises have negotiated orders for the whole year and are actively producing to meet the schedule.

Pham Van Viet, general director of Viet Thang Jeans Co and vice chairman of the HCM City Garment-Textile, Embroidery and Knitting Association, said the garment and textile sector has had a certain position in the world market thanks to maintaining its supply capacity during the two years of the COVID-19 pandemic.

Right after the Lunar New Year holiday in earlier last month, firms have accelerated production to fulfill deliveries in the following months, he said.

Wood processing firms have also reported an increase in export orders in the first months of the year, with orders from the US and UK up by 15-20 per cent.

Doan Vo Khang Duy, vice president of HCM City Association of Mechanical and Electrical Enterprises, said a survey of businesses in the association showed that "No enterprise in the association complains about lack of order."

This signals a good year for businesses in the sector, he said.

## 7. PM urges strong economic recovery, normalisation of COVID-19

Prime Minister Phạm Minh Chính has praised the country's economic growth since the beginning of the year and set out plans for the normalisation of COVID-19.

The Government leader chaired a cabinet meeting on Thursday to review socio-economic development in the first two months of the year, the COVID-19 prevention programme for the 2022-23 period, preparations for the 31st SEA Games, and other prominent domestic and international affairs, including the situation in Ukraine.

Reports on these issues were presented and discussed by officials at the meeting.

Economic experts said the country has seen positive signs of economic recovery; this year's economic growth forecast is 7.9 per cent, according to Fitch Ratings.

Leaders of the Ministry of Health said the percentage of deaths from COVID-19 decreased from 2.45 to 1.54 since Decree 128 was issued in October last year, which regulates a safe and flexible adaptation to the disease.

However, they also pointed out several tasks the country need to fulfil over the next few months, especially as March will be the last month of the first quarter, with many goals in terms of production and healthcare to be met.

Speaking about these goals, PM Chính recognised the economic highlights the country has achieved, but also asked sector leaders to prepare for months of "more difficulties and challenges than advantages and opportunities."

He asked leaders of sectors and ministries to keep track of the global and international affairs related to their fields of authority and take actions accordingly if needed.

He asked the health ministry to keep up the pandemic prevention work, assess the status of antibodies against COVID-19 nationwide, and learn from international experience to prepare to "normalise COVID-19 and consider it an endemic disease".

He assigned Deputy Prime Minister Vũ Đức Đam to complete a draft pandemic prevention programme to be soon promulgated and made public.

The Government leader formed a special working group related to the situation in Ukraine and appointed Standing Deputy Prime Minister Phạm Bình Minh head of the group.

He also assigned Deputy Prime Minister Lê Văn Thành to direct and solve issues related to tax and fee policies, which will help to reduce costs and increase domestic petroleum production.

He asked concerned authorities to speed up public investment disbursement, especially for traffic infrastructure development projects.

"Ministries, sectors and localities that do not complete their capital distribution plans in March will have their capital adjusted and officials reviewed," he said.

They must also complete plans for economic recovery and growth during this month in accordance with their levels of authority, the PM added.

He stressed the need for strong determination, efforts and actions to end the first quarter on a high note, creating motivation for the whole year, which is expected to be the year the country wins the fight against COVID-19 and achieves quick and sustainable growth.

## Corporate News

### 8. KDH: Khang Dien wants to raise VND 2,000 billion of bonds

↑1.68%

The Board of Directors of Khang Dien House Trading and Investment Joint Stock Company ( HOSE : KDH ) has just approved the Resolution to issue bonds to the public.

Specifically, KDH plans to offer up to 20 million bonds (par value of 100,000 VND/bond), with a total issuance value of VND 2,000 billion.

This bond has a term of 36 months from the date of issue with a minimum interest rate of 9%, maximum 10%/year.

The issuance time is expected in the second quarter of 2022 after the Certificate of Public Offering of Bonds issued by the State Securities Commission comes into effect.

The entire proceeds from the issuance of VND 2,000 billion will be used by the Company to supplement operating capital for Khang Phuc House Investment and Business One Member Company Limited (VND 1,600 billion) and Thuy Sinh Real Estate Joint Stock Company (VND 400 billion) through the form of loans. The expected time of capital use is in the second quarter of the third quarter of 2022.

### 9. PAC: PAC plans to spend more than 46 billion dong to pay dividends

↑0.00%

The Ho Chi Minh City Stock Exchange has just announced that Southern Battery Corporation ( HOSE : PAC ) is about to advance the first dividend in 2021 for shareholders.

Execution rate is 10% (1,000 VND/share). The ex-dividend date is March 21, 2022 and the payment date is April 7, 2022.

With more than 46.47 million shares outstanding, PAC is expected to spend more than VND 46 billion to pay dividends to shareholders.

Regarding the business plan in 2022, PAC is expected to bring in VND 3,780 billion in revenue, up 7% compared to 2021. In contrast, the pre-tax profit target is reduced by 12%, to VND 195 billion.

In addition, PAC also plans to invest VND 20 billion in 2022. In which, equipment investment is more than VND 10 billion and construction investment is nearly VND 7.7 billion.



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