



VIETNAM DAILY NEWS



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Market Analysis

1. Bullish sentiment boosts VN-Index above 1,500 points

Shares finished higher on Friday as the market sentiment improved significantly, pushing the benchmark VN-Index above the psychological level of 1,500 points.

On the Ho Chi Minh Stock Exchange (HoSE), the VN-Index surged by 24.29 points, or 1.63 per cent, to 1,516.44 points.

The market's breadth was positive with 330 stocks increasing, while 125 stocks declined. Liquidity also inched higher compared to the previous session, with nearly VND27 trillion (US\$1.2 billion) worth of stocks, equivalent to a trading volume of more than 967.67 million shares, traded on the southern bourse.

The index was boosted by strong gains in large-cap stocks, especially in banking, manufacturing, realty and retail sectors. The 30 biggest stocks tracker VN30-Index posted a rise of 33.94 points, or 2.25 per cent, to 1,542.47 points.

Of the VN30 basket, 29 stocks inched higher with one stock hitting the maximum intraday gain of 7 per cent, while only one stock slid.

Statistics showed that Mobile World Investment Corporation (MWG) of the retail sector was the market's leader yesterday, up 7 per cent. Other stocks in the top five influencing the uptrend were VPBank (VPB), Masan Group (MSN), Novaland (NVL) and BIDV (BID). These stocks all reported a gain of at least 2 per cent.

The benchmark also received support from utilities and information technology stocks like PV Gas

(GAS), up nearly 1.3 per cent and FPT Corporation (FPT) up 3.74 per cent.

FLC Group (FLC) showed signs of improvement after hitting floor prices for four consecutive sessions. The company's shares ended yesterday at VND10,850 per share, down 0.15 points, or 1.36 per cent, while the liquidity also improved significantly.

On Thursday, FLC appointed a new CEO to replace Trinh Van Quyet after he was arrested. According to its announcement, Dang Tat Thang, previously Vice President of FLC, is now CEO of FLC Group and Bamboo Airways starting from March 31 until there are new decisions from the shareholders and the Board of Directors.

Analysts from Saigon-Hanoi Securities JSC (SHS) said that amid negative news from both domestic and international markets, the fact that the market remained stable was quite positive.

The HNX-Index on the Ha Noi Stock Exchange (HNX) also edged up yesterday as investors' risk appetite was stronger. The index climbed by 4.48 points, or 1 per cent, to 454.1 points. It had gained a total of 11.62 points in the last two sessions.

During the trading day, over 124.6 million shares were traded on the northern bourse, worth more than VND3.2 trillion.

Meanwhile, foreign investors continued to pour capital into the southern market after net buying a value of VND409.6 billion. However, they net sold a value of VND3.39 billion on HNX.

Macro & Policies

2. Viet Nam to approve first domestic cargo airline

The Ministry of Transport has sought the Prime Minister's approval to issue a licence for the first cargo airline in Viet Nam, IPP Air Cargo, as freight demand increases rapidly.

The application document of IIP Air Cargo met all requirements for the licence, the ministry said.

The ministry said Viet Nam's first cargo airline was appropriate to the country's transport services development strategy for 2030, which targeted the development of a fleet of 8-10 cargo aeroplanes, which would contribute to promoting the logistics industry.

"The cargo airline will contribute to the growth of cargo transport of Vietnamese airlines by around 10-15 per cent per year," the ministry said in a document on Thursday.

The volume handled by IPP Air Cargo was expected to increase by 18-20 per cent per year.

The ministry also said that Viet Nam's participation in the ASEAN Single Aviation Market, an agreement on the liberalisation of air transport in 2015, was creating opportunities for IPP Air Cargo to expand markets and increase its competitiveness.

The operation of a cargo airline would also help generate foreign currency, facilitate goods flow and drive local economic growth.

Starting from 1991, the air cargo market of Viet Nam handled more than 18,380 tonnes. After more than 30 years, the volume of cargo handled in 2021 increased to 1.3 million tonnes and was expected to reach 1.52 million tonnes in 2022. The average growth rate was 15.3 per cent from 1991 to 2021.

Viet Nam's air cargo is currently handled by five existing airlines that provide passenger transportation.

Existing Vietnamese airlines held a share of 11 per cent of the international cargo transport in 2020-21 and 18 per cent in 2019.

Currently, 29 foreign airlines operate cargo aeroplanes from 16 countries and territories to Viet Nam.

Due to the pandemic, the number of flights carrying passengers and goods dropped sharply while demand for cargo transportation increased significantly, pushing up freight rates by 3-4 times.

IPP Air Cargo was established on March 10, 2021, with an initial investment of VND300 billion (US\$13 million), with air cargo transportation being its major business line.

The airline planned to initially operate five aircraft, including Boeing 737, Boeing 777, Airbus 330 planes in the first year of operation and double the fleet in the next five years.

3. Vietnam's biggest port terminal to get even bigger

Vietnam is set to spend VND1.42 trillion (\$62.17 million) on upgrading its biggest port hub, Cai Mep – Thi Vai, to receive bigger ships.

Work on the project will begin by the end of this year.

The terminal in the southern province of Ba Ria – Vung Tau will have its width increased from 310

meters to 350 meters and depth from 14 meters to 15.5 meters, according to the Maritime Project Management Board under the Ministry of Transport.

Currently, the terminal only allows ships with 8,000 twenty-foot equivalent units to dock when the tide rises.

The Cai Mep – Thi Vai terminal has seven container ports in operation. It is the first terminal in Vietnam that is capable of receiving 214,000-ton ships.

The government plans to make the terminal an international transshipment hub.

4. Vietnam to import coal from Australia amid power shortage fears

Vietnam wants to import around five million tonnes of coal from Australia amid a domestic shortage that has forced power plants to cut production.

Apprising Australian ambassador Robyn Mudie about this on Friday Minister of Industry and Trade Nguyen Hong Dien sought his help to link up Vietnamese companies with their Austrian counterparts so that they could start buying the coal this month.

Australia is one of the world's biggest coal exporters.

The trade ministry is also looking for sources in South Africa.

National utility Vietnam Electricity (EVN) said this week that several thermal power plants in the northern and central regions are cutting down production to 60-70 percent due to a coal shortage.

It also warned of the risk of power shortages from this month.

But the trade ministry has said there will be no power shortages this year.

It is mobilizing around 3,700 megawatts from other coal- and gas-fired plants and renewable and hydropower sources.

EVN said that by 2025 another 5,500 megawatts of renewables is needed to ward off power shortages.

It has also called for incentives for rooftop solar.

The company is seeking the government's permission to build wind power plants in the north. Most plants now are in the central and southern regions.

Coal-fired plants accounted for 43.6 percent of total power generation in February, according to EVN.

Vietnam promised to achieve net zero emissions by 2050 at the U.N. Climate Change Conference in the U.K. last November.

5. Environment tax cut brings gasoline prices down

Gasoline prices were cut by over VND1,000 (4.3 U.S. cents) Friday after the environment tax was halved.

The popular RON 95 variety and biofuel E5 RON 92 have become 3.6 percent cheaper at VND28,150 and VND27,300.

But the prices of kerosene, diesel and mazut were adjusted upward by 2.4-6.4 percent.

Gasoline retail price adjustments, if any, are usually made at 3 p.m on the 1st, 11th and 21st days of each month, but this time it was made at midnight on the 31st as the environmental tax cut became effective.

The tax, the biggest of all taxes and fees on fuel, has been halved to VND2,000 on gasoline, and cut by VND700-1,000 on other fuels. They will remain in force through this year.

Without the tax cut, gasoline prices would have risen by VND1,000-2,800 per liter on Friday.

On the global market, the price of crude oil has dropped to \$100 per barrel at the time of writing from last week's average of \$114.

6. HCMC housing prices soar by 40 pct

Housing prices in HCMC and neighboring provinces increased by 42-46 percent year-on-year in the first quarter to US\$7,580 and \$2,630 per square meter on average.

In HCMC, they were driven up mainly by the record price tags for two new projects in Thu Duc City, real estate consultancy Cushman & Wakefield said.

Prices were up 30 percent from the previous quarter.

In neighboring provinces like Binh Duong, Dong Nai, Long An, and Ba Ria - Vung Tau, they rose by 6 percent during the quarter.

New housing supply in the city was mainly in Thu Duc City and Districts 12 and Binh Chanh.

The consultancy forecast that by the end of this year, supply in the provinces would be higher than in the city, signaling a shift in investment as the neighbors build new traffic infrastructure.

7. HSBC lowers Vietnam growth forecast

HSBC has lowered its GDP growth forecast for Vietnam from 6.5 percent to 6.2 percent due to inflationary pressures amid rising global energy prices.

"Vietnam is facing multiple challenges given elevated global energy prices. It will increase its energy bills, deteriorating its terms of trade position," the bank said.

The country's imports of crude oil and petroleum in March were double and four times the 2021 monthly averages, and the rising trend seems set to continue.

This is likely to shrink Vietnam's external metrics, making it run a second consecutive current account deficit, and higher oil prices would increase the cost of living, dampening recovery in private consumption, the lender said.

It raised its inflation forecast for the year to 3.7 percent due to the high energy prices, saying this would increasingly call for the need for monetary normalization. The government targets inflation of not more than 4 percent.

The bank pointed out that the GDP growth of 5 percent in the first quarter was higher than its forecast of 4.7 percent, indicating the country is firmly back on the recovery track.

The manufacturing sector remained the key driver of growth in the first quarter, driven by a double-digit increase in electronics production.

Exports grew by 13 percent year-on-year thanks to increased demand for electronics products though strong figures were reported across sectors like textile, footwear, machinery, and wooden products.

With Vietnam reopening its borders on March 15, HSBC expects a "small rebound" in tourism this year.

Authorities are hoping to get 8-9 million foreign tourists this year, 40-50 percent of the 2019 numbers.

Economic growth of 6.2 percent will however make Vietnam one of the region's top performers.

Corporate News

8. HVN: Vietnam Airlines accumulated loss nears charter capital

↑ 0.6%

The accumulated loss of national flag carrier Vietnam Airlines climbed to VND21.98 trillion (\$928.39 million) last year, roughly the same as its charter capital.

The airline was hit hard by the Covid-19 pandemic that saw borders closed and commercial flights suspended for two years.

It posted a loss of VND13.02 trillion last year alone, with revenue dropping 31 percent year-on-year to VND28.09 trillion.

The airline increased its charter capital by 56 percent to VND22.14 trillion last year by issuing 800 million shares, with the State Capital Investment Corporation (SCIC) contributing an additional VND6.89 trillion.

The Commission for Management of State Capital at Enterprises (CMSC) now holds a 55.2 percent stake in the flag carrier, the SCIC 31.14 percent, and Japan's ANA airline 5.62 percent.

The airline has been increasing the number of flights it operates since the beginning of this year as the government began lifting restrictions based on rising vaccination rates.

It operated 7,314 flights last month, up nearly 21 percent year-on-year.

The airline has proposed that the government raises the price cap for domestic travel from April 1 and add a fuel surcharge for local routes as fuel prices have soared in recent months.

9. BVH: Bao Viet Group: In 2021, consolidated profit after tax will grow by 21.4%

↑ 3.09%

Bao Viet is currently the enterprise with the leading asset scale in the insurance market, reaching nearly 170,000 billion VND, equivalent to more than 7 billion USD.

Total consolidated revenue in 2021 reached VND 50,380 billion, up 2.8% compared to 2020; Consolidated profit after tax reached VND 2,003 billion, up 21.4% compared to 2020.

The parent company's total revenue reached VND 1,490 billion, an increase of 5.7% compared to 2020. Profit after tax reached VND 1,031 billion, up 1.9% and completed the plan approved by the General Meeting of Shareholders. Total assets of the Parent Company in 2021 reached VND 18,908 billion; equity reached 18,519 billion dong.

Baoviet Holdings has paid a cash dividend of 667 billion dong in 2021, bringing the total dividend

payment to BVH shareholders since its equitization (in 2007) up to now to nearly 9,500 billion dong in cash.

Since equitization, the total amount Baoviet has paid into the state budget has reached nearly 24,000 billion VND. With strong financial potential, capital scale and leading assets in insurance businesses, Baoviet always fulfills its commitments to shareholders, increasing value for investors.

In 2021, the Covid-19 epidemic in Vietnam has many complicated developments, social distancing in many provinces and cities across the country. Baoviet Holdings has accompanied people across the country to share the financial burden in life and fulfill its commitments, shoulder the responsibility to the community to join hands to "Ensure peace, prosperity and long-term benefits for customers, investors, employees and the community.

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