



# VIETNAM DAILY NEWS

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## Market Analysis

### 1. Shares start week on a positive note

Shares started the week on a positive note thanks to the growth of the securities stock group but selling pressure focused on the real estate group at the end of the session.

On the Hồ Chí Minh Stock Exchange (HoSE), the VN-Index rose by 0.54 per cent, to 1,524.70 points.

The market breadth was positive with 283 stocks increasing, while 182 declined.

Liquidity was at a low level with more than VNĐ25.6 trillion (US\$1.1 billion) poured into the southern market, equivalent to a trading volume of over 639.5 million shares.

The index's increase was thanks to gains in pillar stocks, especially in the securities sector. Accordingly, the VN30-Index rose 0.36 per cent, to 1,548.04 points.

Twenty-one of the 30 biggest stocks in capitalisation on HoSE posted gains, while seven slid and two ended flat.

Data compiled by vietstock.vn showed that towards the end of the session, the VN-Index's gain was significantly strengthened as securities stocks rose, such as Agribank Securities Corporation

(AGR), FPT Securities Joint Stock Company (FTS) and VNDirect Securities Co (VND) soaring 7 per cent.

Hồ Chí Minh City Securities Corporation (HCM), SSI Securities Inc (SSI), APG Securities Joint Stock Company (APG) and Saigon-Hanoi Securities JSC (SHS) all increased more than 4 per cent.

Việt Capital Incorporation (VCI) and Petrovietnam Securities Incorporated (PSI) rose 2.9 and 3.8 per cent, respectively.

However, gains were capped by selling pressure in some big real estate stocks with a series of large-cap stocks declining such as Sao Mai Group Corporation (ASM), dropping 7 per cent, Đất Xanh Group (DXG) down 6.2 per cent, Quốc Cường Gia Lai Joint Stock Company (QCG) down 4.4 per cent, Thủ Đức Housing Development Corporation (TDH) down 3.9 per cent and C.E.O Group (CEO) down 2.8 per cent.

On the other hand, the HNX-Index on the Hà Nội Stock Exchange (HNX) decreased 1.01 per cent, to 458.69 points.

More than 84 million stocks were traded on HNX, worth nearly VNĐ2.7 trillion.

## Macro & Policies

### 2. Viet Nam's industrial production flourishes in Q1

The index of industrial production (IIP) in the first quarter continued to flourish with a year-on-year increase of 7.07 per cent, the General Statistics Office said.

The positive rise, much higher than the 6.44 per cent seen in Q1/2021, contributed 2.42 percentage points to the economy's growth in Q1/2022.

The processing and manufacturing industry had a yearly IIP rise of 7.79 per cent.

Meanwhile, the IIP growth of the electricity production and distribution industry stood at 7.42 per cent, and water supply and waste and wastewater treatment and the mining industry reached 6.54 and 5 per cent, respectively.

Key industries that recorded high increases in Q1 include clothing (up 24.1 per cent); machinery and equipment (16.2 per cent); metal production (10.1 per cent); electronics, computers and optical products (9.4 per cent) and other non-metallic mineral products (8 per cent).

On the contrary, several industries saw a decline in industrial production, such as rubber and plastic products, down 15.5 per cent; repair, maintenance and installation of machinery and equipment (12 per cent); coke and refined petroleum products (11.7 per cent) and crude oil and natural gas (2.2 per cent).

Among industrial products with strong IIP increases were telephone components with 19 per cent, automobiles (13.4 per cent), aluminium (12.6 per cent), and steel (11 per cent).

Some products decreased compared to the previous year, including televisions (23.3 per cent); gasoline and oil (12.5 per cent); aquatic feed (11.7 per cent); mobile phones (9.3 per cent); NPK fertiliser (6.6 per cent) and paint (5.7 per cent).

The GSO also said the consumption index of the processing and manufacturing industry in Q1 rose 6.6 per cent compared to last year's corresponding period. In March, the index increased 19.1 per cent month-on-month and 11.2 per cent year-on-year.

The average inventory rate of the processing and manufacturing industry in the first three months was 79.9 per cent, higher than the 75.1 per cent recorded last year.

As of March 1, the number of employees working in industrial enterprises rose 2 per cent month-on-month and 3 per cent year-on-year.

Labourers in State-owned enterprises decreased 3.3 per cent year-on-year, while those in non-State firms slumped 3 per cent, and foreign-invested businesses increased 4.3 per cent.

The Ministry of Industry and Trade said it was necessary to ensure an adequate supply of raw materials for energy production, business recovery, and socio-economic development in the coming months.

The ministry recommended removing obstacles to important industrial projects and maximum support for factories to maintain production, keep orders, and maintain the supply chain.

The industry and trade sector would also effectively implement the Government's solutions to remove difficulties for businesses and help them restore financial and labour resources.

The ministry said it would speed-up large public investment projects, especially projects on energy and infrastructure for industrial development, developing markets for several key manufacturing industries such as steel, engineering, construction materials and automobiles.

### 3. Real estate firms eye record profits this year

Major property developers like Novaland, Phat Dat and Dat Xanh are set for double-digit increases in profits this year on strong demand and relentlessly rising prices.

Novaland, the second biggest listed property firm, targets a near doubling of profits to VND6.5 trillion (\$285 million) and a 140-percent rise in revenues to VND35.97 trillion.

The company's projection of these all-time high figures are based on revenues it expects from the handover of houses and other properties at 22 projects in HCMC, Dong Nai, Binh Thuan and Ba Ria - Vung Tau this year.

Phat Dat, another real estate firm in the billion-dollar club, expects revenues to triple to VND10.7 trillion and profits to rise by 56 percent to VND3.6 trillion.

Many other companies in the sector also expect profits to rise sharply this year as demand is driven up by post-Covid recovery and risk of inflation. For Vietnamese, real estate is a safe haven investment during times of inflation.

But others warned about possible headwinds.

Nguyen Mac Hoai Nam, general director of investment consultancy Nam Phat, agreed that such goals are achievable but warned about demand drying up due to rising prices. So developers need to sell their projects quickly to optimize profits, he said.

Tran Khanh Quang, head of developer Viet An Hoa, expected the market to remain busy until the second quarter but warned it could turn sluggish quickly after that.

This would split the industry into two, with one group of companies still attracting buyers and achieving its business plans and the other seeing sales stall, he said.

He expected around 30 percent to fall in the second group.

An insider with nearly 30 years of experience in the industry said selling out quickly and profiting is the general trend in the market now.

"As soon as the pandemic passed, real estate companies accelerated things to regain what they had lost in the last two years. This year will be a turning point, a test for the market".

### 4. Billion-dollar companies account for 80 pct of Vietnam's main bourse

Forty nine companies with a valuation of one billion dollars or more account for 80 percent of Vietnam's main stock exchange, led by behemoths Vietcombank, Vinhomes and Vingroup.

The list, which has a combined market cap of VND4,700 trillion (\$205.71 billion), consists of 17 banks and nine real estate developers.

Other sectors include energy, retail and consumer goods.

Sixteen of these companies have a market cap of over VND100 trillion each.

Vietcombank led with VND388.54 trillion, followed by Vinhomes and its parent and Vietnam's largest private conglomerate, Vingroup.

They were followed by state-owned bank BIDV, Petrovietnam Gas and Hoa Phat Group.

The latest addition to the Ho Chi Minh Stock Exchange's billion-dollar club is Petrovietnam Fertilizer & Chemicals Corporation, which has gained 41.5 percent this year.

## 5. Hotel room rates rise as tourism revives

Hotels in the central city of Da Nang have raised their room rates by 20 percent on the back of rising demand as tourism recovers from Covid-19.

Average rent in the city was hovering around \$70 a room per night in the first quarter, up 3 percent quarter-on-quarter and 20 percent against last year, according to real estate consultancy Cushman & Wakefield Vietnam.

Occupancy rates rose to 30 percent, up 10.2 percentage points from last quarter, driven by the

recovery of domestic tourism starting from Tet, the Lunar New Year festival in February.

In March, supply of high-end hotels (four and five stars) also recovered to the pre-pandemic level of 11,000 rooms. Da Nang also expects to add 4,000 rooms from 19 private hotels to its inventory in the next three years.

Da Nang, with its beautiful beaches and other stunning tourist sights, targets 3.32 million domestic tourists and 180,000 foreign visitors this year.

## 6. Real estate developer FLC's accountant arrested

Trinh Thi Minh Hue, an accountant with real estate developer FLC, has been arrested for allegedly helping her brother Trinh Van Quyet to manipulate the stock market.

Hue has been detained pending investigation into Quyet's role in stock market manipulation, Lieutenant General To An Xo, Chief of Office and spokesman for the Ministry of Public Security, said Monday.

This is the latest development as the ministry looks into alleged stock market manipulation and information concealment by the FLC group.

The group's chairman Quyet was the first person arrested in the case.

According to the ministry's investigators, the alleged violations by these individuals have caused significant harm to investors and hampered Vietnam's stock market operations.

The group has issued a statement, saying Quyet's "personal actions" in the securities purchase and sales transactions will not influence FLC's business and production.

Dang Tat Thang, Vice President of FLC and Bamboo Airways, has replaced Quyet as chairman of both FLC and its subsidiary Bamboo Airways.

The case that led to the investigation of Quyet and others began on the afternoon of January 10, when Quyet sold 74.8 million FLC shares, but the State Securities Commission of Vietnam (SSC) only received notice of the sale by the evening of that day though regulations require a notification three working days in advance.

On January 11, the Ho Chi Minh City Stock Exchange (HoSE) issued a notice cancelling the transaction, an unprecedented move in the Vietnamese stock market. Many investors have their investment refunded.

Quyet was fined VND1.5 billion (\$65,800) by SCC on January 17, the highest level under current securities regulations, and his trading was suspended for five months.

It was the second time that Quyet was fined by the SSC for the same offense. In November 2017, he was fined VND65 million for selling 57 million FLC shares without proper notice.

Following the aforementioned violations, the Communist Party's top watchdog determined March 31 that leaders of the Hanoi and HCMC stock exchanges have to be held to account for violations by stocks and securities entities.

The Party Committee of the State Securities Commission (SSC) for the 2015-2020 is also guilty of several violations including negligence and lack of monitoring that allowed certain individuals to manipulate the stock market, the Communist Party Central Inspection Committee said.

Nguyen Thanh Long, secretary of the Party Committee of the Hanoi Stock Exchange, Le Hai Tra, secretary of the Party Committee of the HCMC Stock Exchange, Tran Van Dung, chairman of the SSC, Vu Bang, former chairman of the SSC, and Nguyen Son, chairman of the management board of the Vietnam Securities Depository (VSD), are all accountable for violations at the Party Committee of the SSC, the Hanoi and HCMC stock exchanges and the VSD, the committee said.

Quyet began his career as a lawyer in 2001, when he and his associates established the SMiC Law Office, which later became the SMiC Law Firm. He also established a number of businesses and the FLC brand was formed in early 2010 after merging all of them.

FLC's charter capital stood at VND10.5 trillion (over \$459 million) in early 2021, after more than 10 years of operation.

As of January 2022, the FLC chairman owned over 215 million FLC shares, equivalent to approximately 30 percent, as well as tens of millions of stocks in related companies like ROS.

## 7. Coal shortages puts thermal power plants at risk

Vietnam Electricity (EVN) has said that the amount of coal supplied to its thermal power plants (TPP) fell short of the contractual amounts, putting them at risk.

The total amount of coal delivered to the TPPs in Q1/2022 was about 4.49 million tonnes, less than 5.85 million tonnes as stated in the contracts.

Insufficient coal supply, coupled with low coal in reserve, has forced many TPPs to operate under capacity or shut down temporarily in late March.

Notably, Nghi Sơn 1, Vũng Áng 1 and Vĩnh Tân 2 TPPs had to operate at 60 per cent capacity. Hải Phòng TPP barely had enough coal to run one of its four generators.

The national grid was short of 3 GW of electricity accordingly.

"Coal supply may not improve in the short-term, posing a risk of electricity shortage in April," said a representative of EVN.

The Ministry of Industry and Trade was concerned that the Vietnam Coal and Mineral Industries Group (TKV) and Đông Bắc Corp., two coal suppliers, might have to compensate TPP investors for the temporary shutdown of their generators.

Accordingly, the ministry issued Document No 1225, urging the two suppliers to quickly look at ways to deliver coal at the contractual amounts, eliminating the risk of compensation.

"Under no circumstances should there be a coal shortage for electricity production," the ministry said.

TKV attributed the coal shortages to the pandemic, which rendered its coal mines understaffed, and the Russia-Ukraine conflict, which disrupted coal supply in the international market.

EVN called for energy-saving actions, including turning off unnecessary lights and unplugging unused electronics to ease the strain of the electricity shortages.

On April 1, Minister of Industry and Trade Nguyễn Hồng Diên held a meeting to discuss ways to deal with the risk of electricity shortages.

At the meeting, the minister urged TKV, Đông Bắc Corp. and Vietnam Oil and Gas Group to increase output and buy more coal and gas from their partners to meet domestic demand.

He also called on agencies in charge of the national grid and other transmission systems to stay well-

prepared at all times to ensure uninterrupted electricity supply.

Regarding fuel and electricity contracts, he requested parties quickly resolve the problems holding back the contracts.

In the long-term, the groups are urged to cooperate with relevant authorities on resolving backlog of issues related to contractual prices and payments.

On the same day, the minister met with the Australian Ambassador to Việt Nam Robyn Mudie, asking her to help connect Australian coal suppliers with the Vietnamese groups to supply around 5 million tonnes of coal each year.

On April 2, the minister also met the South African Ambassador to Việt Nam to discuss coal purchases.



## Corporate News

### 8. GVR: Explanation for the 2021 separate financial statements

↑ 5.64%

Viet Nam Rubber Group - Joint Stock Company explained the difference in profit after tax in 2021 as follows:

The explanation for the movements of 10% or more compared to the same period of last year:

The profit this period reached 2,334 billion dong compared to the same period last year was 2,963 billion dong, equivalent to 78.8% mainly due to there was a profit from divestment of investment capital of 1,242 billion dong in 2020, 0 dong in 2021; Dividends and profits distributed from companies with capital contribution in 2021 increased by 514 billion dong compared to the same period last year.

### 9. MSN: Record date for stock issuance to raise capital

↑ 2.39%

On March 31, 2022, MaSan Group Corporation announces the record date as follows:

- Record date: April 13, 2022

1. Reason & Purpose: to issue shares for increasing capital from the owner's equity.

2. Content:

- Exercise ratio: 5:1 (20%) (shareholder who owns 05 shares will receive 01 new share.)

- Plan to deal with fractional shares: The distributed shares will be rounded down to units, the fractional shares (if any) will be cancelled.

- For example: at the record date, shareholder A owns 451 shares. With 20% performing ratio, the shareholder A will receive:  $451 \times 20\% = 90.2$  shares. According to rounding policy, the shareholder A will receive 90 new shares and the fractional shares of 0.2 share will be cancelled.

- Place to implement:

+ Shareholders whose shares have been deposited: at the securities firms where the shares have been deposited.

+ Shareholders whose shares have not been deposited: at MaSan Group Corporation.



**Research Team:****Tsugami Shoji**

Researcher

[jsi@japan-sec.vn](mailto: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](mailto:info@japan-sec.vn)*

*Website: [www.japan-sec.vn](http://www.japan-sec.vn)*