



# VIETNAM DAILY NEWS



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## Market Analysis

### 1. Market rebounds on strong bottom-fishing demand

The stock market settled higher on Wednesday, ending the losing streak as strong bottom-fishing demand in the afternoon session pulled up investors' sentiment.

The VN-Index on the Hồ Chí Minh Stock (HoSE) ended on Wednesday at 1,477.2 points, up 21.95 points, or 1.51 per cent. It had lost a total of 67.65 points over three consecutive sessions.

The market's breadth returned to positive with 331 stocks climbing, with 17 stocks hitting ceiling prices, while 126 stocks declined.

Liquidity, however, still decreased compared to the previous session. Accordingly, nearly 674.8 million shares were traded on the southern market, worth over VNĐ22 trillion (US\$963.9 million).

The market benchmark's reversal was thanks to gains in stocks, especially large-cap stocks, across all sectors as sharp falls recently triggered strong bottom-fishing activities. Accordingly, the VN30-Index soared by 18.19 points, or 1.21 per cent, to 1,525.39 points.

Twenty-seven of the 30 biggest stocks in the VN30 basket posted positive performance on Wednesday, while no stocks dropped and only three ended flat.

In the top five stocks influencing the uptrend, Vietnam Rubber Group (GVR) was the biggest gainer with a rise of 4.55 per cent in market capitalisation. Others rising included FPT Corporation (FPT), TPBank (TPB), Mobile World Investment Corporation (MWG), and Bảo Việt Holdings (BVH). These stocks climbed in a range of 2.29-5.5 per cent.

Real estate stocks, which faced strong sell-off in recent sessions, also showed strong recoveries in the afternoon trade with Vingroup (VIC) up 1.11 per cent, Novaland (NVL) up 1.76 per cent, Becamex (BCM) up 2.43 per cent, Vincom Retail (VRE) up 2.41 per cent and Development Investment Construction JSC (DIG) up 2.19 per cent.

The HNX-Index on the Hà Nội Stock Exchange (HNX) also reversed course on high demand. It closed the day at 427.45 points, up 6.44 points, or 1.53 per cent.

During the session, over VNĐ2.68 trillion was poured into HNX, equivalent to a trading volume of nearly 90.4 million shares.

Foreign investors also returned to the market after net buying on both main exchanges with a value of VNĐ1.55 trillion. Of which, they net bought a value of more than VNĐ1.49 trillion on HoSE, and a value of VNĐ59.27 billion on the northern bourse.

## Macro & Policies

### 2. Auto sales recommence growth

Vietnam's auto sales in March returned to growth with a 17 percent increase year-on-year to 36,962 units after two consecutive months of decline, according to Vietnam Automobile Manufacturers Association (VAMA).

The figure was highest this year and brought sales in the first quarter to 90,506 units, up 27 percent year-on-year, said VAMA, which does not incorporate data of VinFast and TC Motor (assembler of Hyundai cars).

Most top selling brands posted a double-digit increase in sales compared to March last year.

Truong Hai Auto Corporation (Thaco) led with 13,295 units sold, up nearly 33 percent year-on-year.

Toyota sold 7,977 units, up 22 percent.

Mitsubishi and Honda followed with 3,675 units and 3,604 units respectively.

Visuco (Suzuki) saw sales declining by 0.8 percent, while Ford's sales plunged 45 percent.

With data from all brands included, the hatchback VinFast Fadil was the top selling model in Vietnam last month at 2,567 units. It was followed by the SUV Toyota Corolla Cross and the sedan Toyota Vios.

### 3. VN trade forecast to set new record this year

Experts are optimistic about Việt Nam's trade this year, driven by the enforcement of new-generation free trade agreements (FTAs), forecasting that total import-export revenue might hit a record US\$700 billion.

The first quarter saw positive results in exports and imports with a trade revenue of \$176 billion, representing a rise of 14.4 per cent against the same period last year.

Nguyễn Thường Lạng from the National University of Economics predicted the trade revenue could even reach \$750 billion.

Trần Thanh Hải, Deputy Director of the Import-Export Department, said the largest opportunity was coming from recent FTAs with a high level of commitment, including the Comprehensive and Progressive Trans-Pacific Partnership, EU-Việt Nam FTA, UK-Việt Nam FTA and the Regional Comprehensive Economic Partnership (RCEP).

Specifically, the RCEP, which took effect at the beginning of this year, will create more favourable conditions for enterprises to promote exports and participate deeper in the global supply chains.

Major markets like the US, EU, South Korea, and Japan increased their imports of Vietnamese goods. The US was the largest export market of Việt Nam in the first quarter of this year, with a revenue of \$25.57 billion, up by 15 per cent from the same period last year.

Exports to the US reached \$11.21 billion, up 16.3 per cent, ASEAN \$8.1 billion, up by 19.9 per cent, South Korea \$6.26 billion, up 21 per cent and Japan \$5.4 billion, up 10.6 per cent.

The production capacity for exports also had plenty of room for growth this year, with several enterprises investing in expanding production and consolidating the position of Việt Nam as an irreplaceable link in the global value chain.

Hải, however, noted that the impact of the COVID-19 remained a difficulty. Although Việt Nam was implementing policies of safe adaptation to the virus and restoring production, the effect of the virus in other markets might affect Việt Nam, including China which was a large supplier.

Another difficulty was skyrocketing marine transportation fees. The conflict between Russia and Ukraine also affected global commodities prices.

Although Việt Nam's trade with Ukraine and Russia remained modest, these two countries supplied basic raw materials and agricultural products.

The industry and trade ministry targeted that Việt Nam would maintain a trade surplus this year and export would grow by 6-8 per cent to reach around \$363 billion, Hải said, adding that providing market and trade policies information would be necessary so that enterprises could take opportunities arising from FTAs.

The ministry developed some websites to provide information to enterprises. Especially the Việt Nam National Trade Repository was officially launched at the end of March, a free-to-access online portal that provided all the latest trade information.

A former senior researcher at the Trade Research Institute, Phạm Tất Thắng, said trade, especially exports, would be hit by high production costs due to soaring fuel prices.

Therefore, in addition to taking full advantage of FTAs, businesses also needed to focus on solutions to manage risks, minimise external impacts, and promote digital and circular economies.

## Robust Q1

Both imports and exports rose strongly in the first quarter.

Total trade is estimated at US\$176.35 billion, up 14.37 per cent year-on-year, with exports rising by 12.9 per cent to \$88.58 billion and imports by 15.9 per cent to \$87.77, according to the latest updates of the General Statistics Office.

Most key exports achieved high growth, helping the trade balance climb into positive territory.

Việt Nam has been using new-generation FTAs that have taken effect, such as the EU-Việt Nam Free Trade Agreement, the UK-Việt Nam Free Trade Agreement and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, according to the Agency of Foreign Trade.

Both export volumes and value were up, especially for agricultural produce, crude oil, fertilisers, and plastics.

Another 16 products joined the \$1 billion list, in which five saw exports of more than \$5 billion.

Việt Nam's trade totalled nearly \$670 billion in 2021, up by 22.6 per cent against 2020. The country ran a trade surplus of around \$4 billion last year.

## 4. Government eyes corporate bond-to-GDP ratio of 20 pct by 2025

The government wants to increase the size of the corporate bond market from last year's 11.5 percent of GDP to at least 20 percent by 2025.

It also wants to achieve a total bond-to-GDP (including government, municipal and corporate bonds) ratio of 47 percent, and the stock market capitalization-to-GDP ratio of 85 percent by that year, a resolution it issued on April 12 said.

Bonds are considered to be an effective channel for corporations to raise funding, and issuances were totally worth some VND682 trillion last year.

But some companies have allegedly indulged in dubious practices, like real estate developer Tan Hoang Minh, for instance. Its VND10-trillion bond

issuances were canceled for submitting false information.

The crackdown on the company and Prime Minister Phạm Minh Chính's statement on tightening oversight of the bond, property and stock markets point to the government's determination to reform the markets.

It also instructed the Ministry of Finance to come up with proposals for encouraging venture capital and diversifying financial institutions.

It has also set a target of having 1.5 million companies in the country by 2025, 45 percent of them being medium or large sized.

## 5. Hùng Kings' commemoration sees domestic travel boom

Tourist spots around the country reported brisk business during the three-day holiday (starting April 9) commemorating Hùng Kings, the nation's founders.

The southern coastal province of Bà Rịa-Vũng Tàu received 157,000 visitors, including more than 1,600 foreigners, and earned tourism revenues of VNĐ160 billion (US\$6,980) during the three-day holiday, according to the provincial tourism department.

Department director Trịnh Hàng said hotel occupancy was more than 80 per cent at tourist destinations such as Vũng Tàu City, Xuyên Mộc, Côn Đảo and Đất Đỏ districts.

The occupancy could rise to 95 per cent during the National Reunification Day (April 30) and May Day (May 1) holidays, he added.

Phạm Khắc Tộ, director of the Vũng Tàu City Tourist Support Centre, said most beaches in the city were fully packed with tourists, with around 92,000 travelling to Vũng Tàu during the holiday.

Beach lifeguards were deployed at all public beaches to ensure the safety of visitors, Tộ said.

The central coastal city of Đà Nẵng welcomed 78,000 tourists, including 38,979 arriving on domestic and international flights, according to the municipal Department of Tourism.

The number of visitors was seven to eight times higher than the New Year holiday.

Room occupancy at four- to five-star hotels in the city reached 50-60 per cent during the holiday with beachside hotels having 70-90 per cent of their rooms booked.

Phú Quốc Island in the southern province of Kiên Giang saw a three-fold increase in the number of tourists over the New Year holiday, welcoming 75,000 visitors.

The ever popular Hội An Town welcomed 10,000 visitors each day during the three-day break.

Đoàn Thị Thanh Trà, marketing and communication director at Saigontourist, said the five tourist destinations favoured the most during this holiday were Phú Quốc, Nha Trang, Quy Nhơn, Đà Nẵng, and Hà Giang.

The company served more than 8,000 customers during the holiday, she said

Nguyễn Minh Mẫn, marketing and communication director at TST tourist, said travel demand was predicted to be even higher for the upcoming national holidays on April 30 and May 1.

Tour bookings have already reached half of the company's tour plans covering three regions in the country as well as islands, Mẫn said.

The number of independent travellers is expected to rise in destinations near HCM City like Phú Quốc, Đà Lạt, Phan Thiết, Hồ Tràm, and Vũng Tàu.

## 6. Cashless payments are here to stay

Cashless payments have become a norm in many countries in recent years, bringing great benefits to individuals in the payment process.

This remark was made by Editor-in-chief of Tiền Phong newspaper Lê Xuân Sơn in a webinar on digital payments on Wednesday.

Son underlined the pandemic as a key factor that has promoted non-cash payments in Việt Nam over the past two years.

Banks have shifted their focus to these methods of payments and reaped great success.

To further promote digital transformation in the banking system, he called for a favourable environment and a suitable technology infrastructure to encourage more clients to change their payment habits.

“Cashless payments are novel methods of payment. Unfortunately, a majority of the Vietnamese population still do not have access to technology,” he said.

Lê Văn Tuyên, deputy director of the Payment Department under the State Bank of Vietnam, revealed that the Government Project on Cashless Payments in Việt Nam between 2021 and 2025 has four major objectives.

First, the project aims to make non-cash payments a norm in urban areas and expand their coverage in rural areas.

Second, it seeks to develop safe non-cash payment infrastructure with various conveniences and facilities to meet the rising demand of firms and individuals.

Third, it strives to enhance the security and transparency of cashless payments, allowing authorities to better monitor economic transactions in the country.

Lastly, it aims to realise growth targets set for non-cash payments in the short term, including 50 per cent of transactions on e-commerce platforms being conducted through cashless payments and economic transactions via smartphones growing at 50-80 per cent per year.

Nguyễn Quang Minh, deputy general director of the National Payment Services Corp. (Napas), noted that his corporation had developed various financial solutions to promote cashless payments in Việt Nam.

Notably, it has introduced multi-purpose chip cards that are compatible with applications from different fields, including healthcare and insurance, allowing cardholders to easily make payments in such fields.

However, he also admitted that current payment acceptance networks are inadequate to meet the demand of a market of nearly 100 million.

“For this reason, Napas, banks and financial intermediaries will cooperate to expand payment acceptance networks in the near future,” he added.

Phạm Thị Mai Anh, director of the Digital Banking Service Centre at Military Bank, claimed that her bank was the first to cooperate with Napas in the roll-out of QR Code payments, notably VietQR.

“We are continuing to promote VietQR among sellers in local marketplaces to expand its coverage,” she added.

The director also revealed that her bank’s virtual cards would target young people, which are the driving force behind the growth of digital payments.

Hoàng Xuân Quế, director of the Finance and Banking Institute at the National Economic University, highlighted non-cash payments as an inevitable global trend and Việt Nam is no exception.

In the near future, cashless payments will move at a faster pace thanks to better technology infrastructure and cheaper smartphones.

“Many Vietnamese families have opted for cashless payments to pay their bills and tuition fees of their children. This indicates that it is time to step up non-cash payments in the country,” he added.

The director also anticipated that 100 per cent of undergraduates would switch to chip cards in the near future and their payment habits would affect their families, drawing more clients to the new methods of payment.

## 7. Standard Chartered sees Vietnam inflation higher than central bank forecast

Standard Chartered Bank expects inflation of 4.2 percent this year, slightly higher than the central

bank forecast, driven by the geopolitical situation and higher commodity prices.



"Over the medium term, demand-push inflationary factors are likely to kick in as the economy recovers," the lender said in a note, adding that supply-side factors pose upside risks to inflation, particularly given the ongoing geopolitical situation.

It forecasts a further increase in the rate next year to 5.5 percent.

The State Bank of Vietnam targets inflation of not more than 4 percent this year.

Prices rose by 1.8 percent last year, the lowest rate in six years.

The Asian Development Bank this month forecast Vietnam's inflation to hit 3.8 percent this year and 4 percent next year, pointing to the instability in global oil prices.

Standard Chartered was confident about Vietnam's growth potential, forecasting GDP growth of 6.7 percent this year (2.6 percent last year), saying the recent bounce in economic indicators have become more broad-based.

Tim Leelahaphan, the bank's economist for Thailand and Vietnam, said: "The government lifted its quarantine requirement for international arrivals in mid-March. We think the reopening of tourism, which accounts for close to 10 percent of GDP, is the key development to watch in the second quarter after a two-year closure.

Vietnam remains a manufacturing hub and a key link in the global supply chain despite geopolitical and pandemic-related challenges, the bank said.

FDI started recovering this year after contracting last year, and the bank expects this to continue, particularly in sectors such as manufacturing, electricity and gas.

Several major global tech companies have shifted (or plan to shift) production to Vietnam from China in recent years to diversify their supply chains, Leelahaphan added.

## Corporate News

### 8. PDR: Stock issuance to pay dividend

↑ 1.11%

On April 08, 2022, Phat Dat Real Estate Development Corp announces the stock issuance to pay dividend as follows:

- Stock name: Phat Dat Real Estate Development Corp
- Stock type: common share
- Par value: 10,000 dong
- Number of shares issued: 492,771,916 shares
- Number of outstanding shares: 492,771,916 shares

- Number of treasury shares: 0 share
- Number of shares expected to be issued: 178,876,205 shares
- Total value (based on par value): 1,788,762,050,000 dong
- Issuing ratio: 36.3% (Those who own 1,000 shares will receive 363 new shares).
- Plan to deal with fractional shares: The distributed shares will not be rounded down to dozen, the fractional shares due to rounding down will be cancelled.
- Record date: April 21, 2022.

### 9. DBC: Result of stock issuance for capital increase

↑ 0.56%

DABACO Group reported the result of stock issuance for capital increase from the owner's equity as follows:

1. Information on stock:
2. Stock name: DABACO Group
3. Plan to deal with fractional shares: due to the exercise ratio 1:1, so there are no fractional shares).
0. Result:
  1. Number of distributed shares: 115,239,430 shares; Of which:
    1. Stock type: common share
    2. Par value: 10,000 dong/share
    3. Number of shares issued: 115,239,430 shares

4. Number of outstanding shares: 115,239,430 shares
5. Number of treasury shares: 0 share
6. Number of shares expected to be issued: 115,239,430 shares
7. Exercise ratio: 1:1 (Those who 01 share will 01 new share)
  1. Ending date: April 06, 2022
  2. Time for transferring shares: expected in May 2022.
    - Number of distributed shares to shareholders: 115,239,430 shares for 11,559 shareholders;
    - Number of fractional shares: 0 share



1. Total shares after the issuance (April 06, 2022): 230,478,860 shares; Of which:      Number of treasury shares: 0 share.
- Number of outstanding shares: 230,478,860 shares

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