



# VIETNAM DAILY NEWS



April 26th, 2022

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## Market Analysis

### 1. VN-Index slumps nearly 70 points on strong selling pressure

The stock market ended lower on Monday as profit-taking activities weighed sentiment, with hundreds of stocks hitting floor prices.

On the Hồ Chí Minh Stock Exchange (HoSE), the VN-Index declined by 68.31 points, or 4.95 per cent, to 1,310.92 points. During the afternoon session, it even posted a record loss of nearly 80 points to below 1,300 points. The market benchmark dropped 5.44 per cent last week.

The market's breadth was negative with 443 stocks decreasing, of which 181 stocks saw the biggest intraday loss of 7 per cent. Liquidity remained at low levels as nearly 763 million stocks were traded on the southern market, worth nearly VNĐ21.95 trillion (US\$954.8 million).

Strong sell-off activities cast a shadow over the market's sentiment, causing great losses across all sectors. The 30 biggest stocks tracker VN30-Index also plunged 77.93 points, or 5.4 per cent, to 1,366.39 points.

All stocks in the VN30 basket finished lower on Monday, with 16 stocks hitting floor prices.

In the top ten stocks influencing the market's bearish trend, nine stocks, mostly in the banking sector, fell 7 per cent - the maximum daily loss, including PV Gas (GAS), Hòa Phát Group (HPG), BIDV (BID), VPBank (VPB), Techcombank (TCB)

and Vietinbank (TCB). Meanwhile, Masan Group (MSN) fell 5.92 per cent.

Many other stocks witnessed negative performance, like the trio of stocks in the Vin family - Vingroup (VIC), Vinhomes (VHM) and Vincom Retail (VRE) down in a range of 1.93-6 per cent.

Analysts from Saigon-Hanoi Securities JSC said in a letter to customers that in general, from a technical perspective, the VN-Index's trend has weakened significantly and now there is only one important technical support level remaining at 1,350 points, and if it fails to keep this level, the market benchmark VN-Index will inch lower toward 1,200 points.

The HNX-Index on the Hà Nội Stock Exchange (HNX) also settled down during Monday's trade on strong selling force. The index declined by 21.61 points, or 6.02 per cent, to 337.51 points.

During the session, over VNĐ2.3 trillion worth of stocks, equal to a trading volume of 108.36 million shares, was traded on the northern bourse.

On the other hand, foreign investors poured into the market, with a total net buying value of more than VNĐ229 billion. Of which, they net bought a value of VNĐ214.66 billion on HoSE, and VNĐ14.41 billion on HNX.

## Macro & Policies

### 2. Việt Nam strives for export growth rate of 5-6 per cent in 2021-30

Việt Nam has set a goal of achieving an average export growth rate of 6-7 per cent in the 2021-30 period, following the Government's strategy on import and export released recently.

Specifically, the country sets an annual average export growth goal of 8-9 per cent between 2021 and 2025 and 5-6 per cent in the subsequent five years.

Meanwhile, annual import growth is expected to average 5-6 per cent in 2021-30. The growth will be 7-8 per cent in 2021-25 and 4-5 per cent in the following five years.

Under the strategy, the State expects to achieve a trade balance by 2025 and a sustainable trade surplus by 2030 period.

Manufactured and processed products will account for 88 per cent of export turnover by 2025 and 90 per cent by 2030 with the proportion of exported medium and high-tech goods reaching about 65 per cent by 2025 and 70 per cent by 2030.

By 2025, Asia will make up 49-50 per cent of the country's total export turnover, 46-47 per cent by 2030. It will be followed by the Americas with 32-33 per cent by 2025 and 33-34 per cent by 2030 and Europe with 16-17 per cent by 2025 and 18-19 per cent by 2030.

The Government targets increasing the proportion of value-added, high-tech, green, and environmentally friendly products, pursuant to the strategy.

For agro, forestry and fishery goods, the strategy's goal is to increase the proportion of deeply processed products with high economic value; improve their abilities to meet regulations, quality standards, food hygiene and safety, standards of social responsibility and environment; proactively adapt and overcome trade barriers and trade remedies in foreign markets.

In terms of the industrial goods, the top priority will be given to increasing the domestic value of

exported goods while reducing dependence on imported raw materials, spare parts and components.

The strategy also emphasises the importance of controlling the export of domestically produced goods, luxury goods, and non-essential products while facilitating the import of modern machinery and equipment, and advanced production lines from countries with developed industries. This will create a premise to improve the productivity, quality and competitiveness of export products and carry out an in-depth restructuring of export goods.

Furthermore, greater efforts will be made in diversifying export markets in order to avoid excessive dependence on one market and ensure a healthy and reasonable bilateral trade balance.

Effectively exploiting opportunities brought by international economic integration commitments in free trade agreements (FTAs) to boost exports to major markets such as the EU, Japan, South Korea, and ASEAN and deeply penetrating into potential markets like the US, Russia, India, Africa, the Middle East and Latin America are parts of the strategy.

Both imports and exports rose strongly in the first quarter, according to the latest updates of the General Statistics Office.

Total trade stood 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 billion.

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

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.

Both exports volume 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.

Experts forecast that the nation's total import-export revenue might hit a record \$700 billion by the year-end, driven by the enforcement of new-generation FTAs.

The Ministry of Industry and Trade targeted that Việt Nam would maintain a trade surplus this year and exports would grow by 6-8 per cent to reach around \$363 billion.

### 3. Finance ministry mulls halving import tariff on gasoline

The Ministry of Finance is considering lowering the most favored nation (MFN) import tariff on gasoline from 20 percent to 12 percent.

Cutting the tariff would help diversify Vietnam's fuel supply and reduce dependency on some suppliers amid the current global disruption, but is not likely to reduce domestic gasoline prices, the ministry said.

Vietnam imported most of its gasoline last year from South Korea and ASEAN countries, which carries a tariff of 8 percent under free trade agreements.

Gasoline imported under MFN rates only accounted for a negligible proportion in 2021.

But the ministry deems the tariff cut necessary, as the four percent difference between MFN and FTA rate would likely encourage importers to seek new suppliers when shortages occur.

### 4. Shipping firms have wind in their sails as rates, demand surge

Many shipping companies are targeting double digit growth this year, mainly based on higher freight rates and recovering demand from the manufacturing sector.

Vietnam's largest listed shipping company Gemadept Corporation expects a 19 percent rise in revenues this year to VND3.8 trillion (\$165.4 million), and profits to grow by 24 percent to VND1 trillion.

The Hai An Transport and Stevedoring Joint Stock Company expects profit to grow 23 percent to VND550 billion, and Vinaship by 15 percent to VND208 billion. If these targets are achieved, the firms can offset losses accumulated over years of bad business.

The Mirae Assets Securities Vietnam (MASVN) says shipping and seaport logistic firms will earn more profit this year thanks to the manufacturing recovery.

Meanwhile, the Vietcombank Securities (VCBS) company forecasts that shipping companies will keep growing despite slow recovery of large markets and delay in delivery of container ships.

Last year, they profited from soaring international freight rates, which may cool down, but could not return to pre-pandemic levels this year, a VCBS report says.

SSI Securities has also outlined a prosperous outlook for the industry, saying domestic rates will also surge significantly this year.

Freighters have focused on upgrading their fleets and expanding networks to take advantage of the situation, with Hai An mulling new intra-Asian routes and adding 4-5 ships to its fleet.

Vietnam Petroleum Transport (VIPCO) is set to liquidate one of its oil tankers and invest in new ships to boost transport capacity.

But analysts are also warning of possible downturns related to Covid-19 in the near future.

MASVN said the international shipping market is at risk of congestion and supply chain disruption caused by prolonged clearance time over pandemic's safety regulations and restrictions like China's zero Covid strategy.

Some firms are set to see profits shrink this year due to the ongoing instability in the Middle East and Ukraine, which has driven oil prices and fuel costs up.

Petrovietnam Transportation Corporation (PVT) expects its post-tax profits to drop by 48 percent to the lowest since 2015, while Vietnam National Shipping Line (Vinalines) cut its pre-tax profit target by 30 percent, saying its members will restructure their fleets this year.

Shipping stocks have been surging since the beginning of this year, especially in March when the Russia-Ukraine conflict broke out.

At the end of Friday's session, GMD of Gemadept traded at VND52,400 a share, up 30 percent from its fallen figure in January, and HAH of Hai An traded at VND98,500, up 67 percent.

## 5. New policies being considered for electric cars

Deputy Prime Lê Văn Thành has asked the Ministry of Industry and Trade to study policies to promote the development of the domestic automobile industry, in line with the growing global trend towards electric cars.

The request was to respond to the proposal of the Việt Nam Automobile Manufacturers' Association (VAMA).

VAMA said that Việt Nam needed to have an automobile industry strategy in line with the growing global trend toward electric cars that contributes to Việt Nam's commitment to net-zero carbon emission at the United Nations Climate Change Conference (COP26).

Accordingly, VAMA proposed an electric car development programme to be raised together with a roadmap to convert from fossil-fuel cars to electric cars and an action plan to implement COP26 commitments.

VAMA also proposed policies to be raised for promoting the development of the part-supply sector for the automobile industry.

Statistics of the Industry Department under the Ministry of Industry and Trade showed that there were about 40 companies operating in manufacturing and assembling automobiles as of the end of 2020 with a total designed capacity of 755,000 units per year.

Of them, foreign-invested firms accounted for 35 percent.

Some domestic firms managed to participate in the global automobile production chain, the department said. However, Việt Nam's auto industry was largely dependent on the production assignment of big manufacturers.

Electric car prices remain higher than in other countries in the region.

Except for VinFast, no domestic manufacturers had seriously invested in developing electric cars, to date.

VinFast previously said that it would stop producing fuel cars by the end of 2022 and increase the development of electric cars in the domestic market, the US and the European markets.

According to Phạm Tuấn Anh, deputy director of the Industry Department, electric cars were not very popular in Việt Nam.

Statistics showed that there were around 600 hybrid, plug-in hybrid and electric cars in Việt Nam as of the end of the first quarter of 2021 - all were imported.

The development of electric cars would depend on three major pillars, including the legal framework,

support policies from the Government and promotion measures.

## 6. Thai food giant to list on Vietnam stock exchange

Thai food giant Charoen Pokphand Foods has green-lighted its Vietnam subsidiary's plans to list its shares on the Ho Chi Minh Stock Exchange.

CPF has made a filing with the Stock Exchange of Thailand, but details are unavailable about plans for an IPO and others.

C.P. Vietnam gets around 70 percent of its revenues from processed and fresh pork and chicken products.

It built its first processing plant in Vietnam in 1993 and now has nine around the country.

Vietnam's stock exchanges have eight foreign companies listed on them, and they account for 0.3 percent of their market capitalization.

Another foreign firm, Japanese retailer Aeon, has announced its intention to list in Vietnam.

## 7. HCM City port poised to increase refrigerated container services rates

Tân Cảng - Cát Lái Port in HCM City has increased service charges for packing, loading and unloading of refrigerated containers with effect from May 1.

The tariffs for packaging frozen preserved goods will go up from VNĐ970,000-1.4 million (\$US42-60) per container to VNĐ1.3-1.8 million (\$56-78) depending on type.

For frozen seafood products wrapped in plastic film, it will go up from VNĐ1.7-2.4 million (\$74-104) to VNĐ2.3-3.3 million (\$100-143).

The Tân Cảng Sài Gòn (Sài Gòn New Port) Corporation, the operator of the port, said the hikes are meant to correspond with the general price levels in the region and help improve service quality.

There is also upward pressure due to global factors, it said.

The shipment of refrigerated containers through Tân Cảng - Cát Lái has increased significantly, and so it has upgraded infrastructure and equipment, it said.

Seafood and fruit exporters need refrigerated containers for shipping their goods long distances to places like the US and Canada.

Since last year, they have also been facing a shortage of empty refrigerated containers in Việt Nam because a huge number has been stuck in the US due to the COVID-19 pandemic.

It is estimated that the cost of sea freight under long-term contracts has increased by nearly 97 per cent from a year ago.

## Corporate News

### 8. PDR: Explanation for the separate financial statements in Q1.2022

↓ -4.47%

Phat Dat Real Estate Development Corp explained the business result in Quarter 1/2022 based on the separate financial statements in Quarter 1/2022 with details as follows:

The profit after tax in Quarter 1/2022 is 1.17 times compared to Quarter 1/2021:

- Profit after tax in Quarter 1/2021:  
252,641,754,157 dongs

- Profit after tax in Quarter 1/2022:  
294,923,490,910 dongs.

Following are the main reasons:

1. In Quarter 1/2021, the company has accelerated the progress of completing the infrastructure and has handed over to the Customer a part of the land plots of the low-rise area project of Nhon Hoi eco-tourism urban area, Binh Dinh Province.

2. In Quarter 1/2022, the Company's profit is mainly recorded the transfer of a part of the high-rise apartment building project of Nhon Hoi eco-tourism area, Binh Dinh Province.

Therefore, the Company's profit after tax in Quarter 1/2022 increased 17% compared to Quarter 1/2021.

### 9. FPT: IT giant FPT posts 27.4 per cent growth in pre-tax profit in Q1

↓ -6.93%

In the first three months, the group reported a VND9.73 trillion (US\$423 million) in revenue and VND1.77 trillion in pre-tax profit, up 28.3 per cent in revenue and 27.4 per cent, respectively, from the same period last year.

The group's core and high-performing technology segment continued to be the main driver of the group's growth as its revenue reached VND5.59 trillion with a pre-tax profit of VND770 billion.

It was followed by digital transformation services, with 96.2 per cent focusing on new technologies such as Cloud, AI and data analysis.

Notably, revenue from abroad posted VND4.11 trillion bringing a pre-tax profit of VND667 with an increase of 29.7 per cent and 34.9 per cent, respectively.

During the period, its revenue from ICT reached VND1.48 trillion with a pre-tax profit of VND103 billion. Of this figure, the ecosystem made by FPT digital transformation platforms includes more than 100 platforms, solutions, products and services based on core technology such as AI, Blockchain, Cloud, IoT and Low code that can be widely applied in e-government, transport, healthcare, banking, real estate, education and production.

Its telecom division achieved Q1 revenue of VND3.47 trillion, an increase of 18.7 per cent, bringing a pre-tax profit of VND701 billion.

The group's shareholder meeting took place on April 7. It decided to pay a cash dividend for 2022 at a rate of 40 per cent. Of the figure, 20 per cent will be paid in cash and 20 per cent in shares.

**Research Team:**            **Tsugami Shoji**    *Researcher*            [jsi@japan-sec.vn](mailto:jsi@japan-sec.vn)

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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)*