



# VIETNAM DAILY NEWS

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## Table of content

### Table of content

1. VN-Index heads sideways after surge
2. Industrial real estate thrives on foreign investment
3. Vietnam company to invest \$840 mln in country's first green hydrogen plant
4. Seafood exporters suffer as China gets tough on Covid contamination
5. Bourse slaps restrictions on FLC-related stocks
6. JPMorgan Chase announces fresh capital injection into Việt Nam
7. Enterprises expect strong growth in lychee exports
8. VIC: Vietnam EV maker VinFast to shift legal HQ to Singapore ahead of first exports
9. ACB: Stock issuance to pay dividend for 2021

## Market Analysis

### 1. VN-Index heads sideways after surge

Vietnam's benchmark VN-Index rose 0.01 percent to 1,268.57 points Thursday with trading value remaining low.

The index mostly stayed in the green throughout the day but started to fall within the last trading hour. It closed 0.14 points higher after gaining 35.05 points on Wednesday.

Trading on the Ho Chi Minh Stock Exchange fell by almost 17 percent to VND13.77 trillion (\$593.4 million).

The VN-30 basket, comprising the 30 largest capped stocks, saw 15 tickers dropped.

POW of Petrovietnam Power lost 1.9 percent, followed by MSN of conglomerate Masan Group and STB of HCMC-based lender Sacombank, dropping 1.7 and 1.5 percent, respectively.

Other losers included VPB of private lender VPBank and MBB of MBBank, both closing 1.4 percent lower.

Thirteen blue chips gained, with PLX of fuel distributor Petrolimex surging 2.8 percent.

SSI of leading brokerage SSI Corporation rose 2.3 percent, and HPG of steel maker Hoa Phat ended its five-session losing streak with a 1.6 percent gain.

PDR of property developer Phat Dat surged 1.5 percent, and BVH of insurance company Bao Viet Holdings rose 1.3 percent.

Foreign investors were net sellers to the tune of VND278.5 billion, focusing on HPG and DXG of real estate developer Dat Xanh Group.

The HNX-Index at the Hanoi Stock Exchange, where mid and small caps list, was down 0.51 percent while the UPCoM-Index at the Unlisted Public Companies Market was down by 0.24 percent.

## Macro & Policies

### 2. Industrial real estate thrives on foreign investment

The industrial real estate market is again seeing growth after Covid-19, thanks to foreign direct investment.

Pandora, the world's largest jewelry company by sales, plans to set up a US\$100-million production facility in the Vietnam-Singapore Industrial Park III in the southern Binh Duong Province.

Framas, a leading German injection molding company, has rented a 20,000-square-meter ready-built property in neighboring Dong Nai Province to expand production in Vietnam.

Lubricant company FUCHS Group has also leased 20,000 sq.m of industrial land in the Phu My 3 Specialized Industrial Park (southern Ba Ria - Vung Tau Province) for 55 years to build a new factory.

Danang has also attracted many foreign investments like U.S. Arevo Inc.'s \$135-million 3D printer factory, United States Enterprises' \$110-million semiconductor factory and Fujikin's \$35-million R&D center.

Singaporean, S. Korean and Japanese companies are expanding their production in northern localities.

Singapore's CapitalLand Development signed a memorandum of understanding with Bac Giang Province, and has committed \$1 billion to develop its first industrial-logistical complex.

In the first two months of the year Thai Nguyen Province attracted \$924 million worth of FDI, accounting for 18.5 percent of the country's total amount.

Of this, \$920 million will be invested by Samsung Electro-Mechanics Vietnam (a subsidiary of Samsung Group), which will take the company's investment in the Yen Binh Industrial Park to \$2.27 billion.

FDI has been booming this year after the country brought Covid-19 under control and returned to a new normal, analysts said at a forum Monday.

Trang Bui, director of advisory Cushman & Wakefield Vietnam, said the new FDI is mainly coming into manufacturing and related sectors such as logistics.

### 3. Vietnam company to invest \$840 mln in country's first green hydrogen plant

Construction is due to start on Vietnam's first green hydrogen plant next month, the government said on Wednesday, as the Southeast Asian country seeks to boost the use of cleaner energy while reducing dependence on coal in its power mix.

TGS Green Hydrogen will build the plant in the southern province of Ben Tre, with trial operations due to start from the first quarter of next year, the government said in a statement.

Hydrogen is categorised 'green' when it is extracted from water using electrolysis powered by renewable energy and is seen as crucial to help decarbonise industry, though the technology is still expensive and at an early stage of development.

The VND19.5 trillion (\$840 million) plant will initially produce 24,000 tonnes of green hydrogen, 150,000 tonnes of ammonia and 195,000 tonnes of oxygen a year, the government said, adding that capacity would be more than doubled in a later stage.

Vietnam, a regional manufacturing powerhouse, wants to nearly double its total installed power generation capacity to 146,000 megawatts by 2030, and prioritise using renewable energy and reducing dependency on coal.

The country made a commitment at the United Nations climate conference in Glasgow (COP26) in November last year to become carbon neutral by 2050.

#### 4. Seafood exporters suffer as China gets tough on Covid contamination

China is imposing a seven-day ban on Vietnamese seafood exporters for every container of theirs it finds contaminated with the coronavirus, causing them enormous difficulties and possible losses.

A pangasius fish exporter, who asked not be identified, was recently banned for three weeks after three containers were found infected.

This month many exporters of fish and shrimp have had bans slapped on them, some for one to three months due to the large number of infected containers.

Exporters say containers are refused entry if an earlier shipment was found with Covid.

A typical pangasius fish container to China is worth VND1.2 billion (\$51,724), and a ban results in a 50 percent loss.

Exporters have been reducing shipments to China to prevent losses.

China was the third biggest importer of Vietnamese fisheries products in the first four months of this year behind only the U.S. and Japan.

Exports to China rose 94 percent year-on-year in the period to \$578 million, with pangasius accounting for more than half, according to the Vietnam Association of Seafood Exporters and Producers.

#### 5. Bourse slaps restrictions on FLC-related stocks

The Ho Chi Minh Stock Exchange has restricted trading in the stocks of real estate developer FLC and two related companies for delayed submission of earnings reports last year.

Stocks of FLC, FLC Faros Construction (ROS) and HAI Agrochem Joint Stock Company (HAI) will be traded only in the afternoon starting June 1.

The companies had failed to submit their 2021 earnings reports for 45 days after the deadline.

Trade in these tickers has been declining since FLC chairman Trinh Van Quyet was arrested in March for alleged stock manipulation.

In the last seven days, only seven million FLC shares were traded daily, down from the average of over 18 million in the last three months.

Trading has halved in ROS and HAI stocks.

FLC's stock price has fallen by over 70 percent since the beginning of this year, and ROS and HAI have lost 73 percent and 65 percent.

FLC is set to seek shareholders' permission to dismiss Quyet and deputy chairwoman Huong Tran Kieu Dung at the next annual general meeting.

Shareholders will vote for their replacements.

#### 6. JPMorgan Chase announces fresh capital injection into Việt Nam

JP Morgan Chase on Thursday announced a capital injection of US\$123 million into its branch entity in HCM City, bringing the firm's total capital investment into Việt Nam from \$77 million to \$200 million, or VNĐ4.6 trillion.

The capital will be used over the next few years to fund the expansion of the bank's onshore services

and capabilities and support its fast-growing suite of product offerings and increase the hiring of local talent.

JP Morgan has greatly expanded its operations in Việt Nam since setting up its local office in 1995, with the firm now providing a wide array of banking

solutions across corporate banking, investment banking advisory, payments and capital markets.

“With more than 25 years of history and as a leading international investment bank with an on-the-ground presence, JP Morgan has built a robust franchise in Việt Nam committed to serving the needs of both local corporations and multinational firms operating here. We are proud to be part of the country’s growth and development and will

continue to invest to cater to our clients and support the economy’s rapid expansion,” said Phan Bích Vân, senior country officer for Việt Nam and general director of JPMorgan Chase’s HCM City Branch.

The capital injection was approved by the State Bank of Việt Nam last week.

## 7. Enterprises expect strong growth in lychee exports

Enterprises expect the export of lychees this year to increase by about 30 per cent this year.

As an enterprise specialising in exporting vegetables and fruit to fastidious markets such as Japan and the EU, Ameii Vietnam Joint Stock Company (Ameii Vietnam) has strengthened control of exports and is seeking new customers.

Now, the company is negotiating with customers and is expected to increase lychee exports by about 30 per cent compared to last year, said Ameii Vietnam general director Ngô Thị Thu Hồng.

Notably, this year’s lychee exports to fastidious markets such as Japan and the EU are expected to grow. Hồng said Ameii Vietnam was working with more than 20 Japanese partners and more than 10 EU partners to export this fruit.

The company has mainly exported fresh lychees every year. However, this year, besides fresh lychees, it has used freeze-drying technology to process lychees for export.

Hồng said the company still focuses on exporting fresh lychees, while the freeze-drying technology will prolong lychees’ usage. But the storage costs for the processed lychees are quite high.

Meanwhile, export prices of lychee are still maintained at the rate of 10-20 per cent higher than the market price.

Nguyễn Văn Thiết, director of Phúc Hòa Lychee Cooperative in Bắc Giang Province, said that harvesting lychees started on May 20. This year’s lychee output is expected to be higher than last year. Export and consumption in the domestic market are

expected to grow. The cooperative’s export markets include France, South Korea, and the EU.

The price of lychees is about VNĐ35,000 per kilo, an increase of VNĐ5,000 on year, Thiết said.

Bắc Giang estimates its lychee output at about 180,000 tonnes this year, harvesting from May 20 until July 20. China is still the primary export market of Bắc Giang lychees. This year, exports to this market are expected to be about 95,000 tonnes.

This year, along with strengthening control of the COVID-19 pandemic, China is more demanding on the quality of Vietnamese lychees. To ensure the quality of exported lychees, Lục Ngạn regularly monitors the planting areas to ensure export standards.

Meanwhile, Thanh Hà District, Hải Dương Province, will have more than 3,200 hectares under lychee trees this year. This district’s lychee output is expected to be 5-10 per cent higher than last year. The lychee harvest period is forecasted from May 25 until June 25.

Hồng said the export market is forecasted for growth, but there are still risks. Especially, China, the largest lychee export market, is still applying “Zero COVID” policy.

For the Japanese market, it has announced that all export lychee batches this year must be tested for pesticide residues. This is one of the difficulties for businesses. In previous years, it was tested according to probability, or one of every four to five batches.

"This year, Ameen Vietnam has strengthened control of raw materials for export, so it does not worry about the residue testing. However, Japan's testing for all export lychee batches will prolong the storage time, increasing the costs of businesses and product prices," Hồng said.

### **Hải Dương lychee exports up**

Deputy Director of Hải Dương Province's Department of Agriculture and Rural Development Vũ Việt Anh said: "This year, the number of contracts on exporting lychee to markets such as Japan, South Korea, Australia and Europe is expected to increase by 30-40 per cent compared to last year."

In 2022 so far, the total lychee growing area in the province has reached 8,900 hectares and the province's lychee output is expected about 61,000 tonnes, an increase of more than 10 per cent compared to 2021.

Lychee production in 2022 has had improvements in quality. More than 500 hectares are produced

under VietGAP standards and more than 100 hectares are developed under Global GAP standards.

Hải Dương's agricultural sector is also focussing on implementing trade promotion programmes for lychees.

At the end of May, there will be a series of trade promotion events to export lychee products to other countries such as the lychee festival, a forum on improving the quality of exported lychees and a contest to export Thanh Hà lychee products, Việt Anh said.

From now until the end of June, the Hải Dương Department of Agriculture and Rural Development will also organise trade promotion events in major cities such as Hà Nội, Hải Phòng and Đà Nẵng, especially in big supermarkets in those cities.

Those trade promotion activities will be a chance to connect growers with enterprises and supermarkets at home and abroad. They also help enterprises promote consumption on the domestic market and exports.



## Corporate News

### 8. VIC: Vietnam EV maker VinFast to shift legal HQ to Singapore ahead of first exports

↑ 0.00%

Vietnam's VinFast is shifting its legal and financial headquarters to Singapore as the fledgling electric vehicle (EV) maker readies for a potential public listing and the first production run of cars for U.S. and European markets, its chief executive told Reuters.

The three-year-old unit of conglomerate Vingroup JSC will start building its VF8 sport utility vehicle (SUV) next week, its own EV batteries in August, and a \$4 billion U.S. factory by summer-end, Le Thi Thu Thuy said in an interview.

VinFast has filed for an initial public offering (IPO) in the United States through a Singapore-based holding company - though market conditions might push the deal into 2023, Vingroup Chairman Pham Nhat Vuong said earlier this month.

Thuy declined to comment about the IPO when asked, but said the company's EV expansion plans were not contingent on the listing. "Like any big corporate, we always consider all potential financing transactions," Thuy said.

The CEO said she planned to spend more time in Singapore, where VinFast is buying a building, turning its holding company into an operating hub that would include an office and housing for staff and executives.

"We feel that Singapore is a jurisdiction that will give investors more confidence," Thuy said. "We put ourselves in the shoes of the investors."

While Thuy did not elaborate further, Singapore is widely seen as the most developed market in Southeast Asia, with a strong regulatory framework, mature financial services sector and access to arbitration.

Parent Vingroup is Vietnam's largest listed company by market capitalisation, with businesses in retail, real estate and resorts. It created VinFast

in 2019 to build conventional petrol-powered cars before switching exclusively to EVs in 2021.

Though the market is crowded with established automakers vying with a range of startups, Vingroup in May still said it saw a global EV shortage which it deemed a "golden chance".

With a local line-up of just one small EV, the e34, VinFast has invested heavily to develop models for overseas.

Alongside its VF8, it has also been developing the larger VF9, though that was delayed by about a month because of the impact of Covid-19 containment measures in Shanghai on suppliers, Thuy said.

"We will deliver cars to the international market by the end of the year," Thuy said, starting with the VF8. "All of our effort is on the start of production for the VF8."

VinFast is particularly betting on the U.S. market, where it hopes to sell the two SUVs with prices from about \$41,000 with a battery leasing plan. It aims to open its first showrooms in California by early July, including a flagship site in Santa Monica, Thuy said.

The automaker also plans to build a plant in North Carolina where it is seeking government financing, with construction starting by summer-end and production beginning in 2024.

VinFast's first VF8 models will be powered by batteries from South Korea's Samsung SDI Co Ltd, but the automaker has been developing its own batteries as a hedge against future shortages, Thuy said.

VinFast will start making the batteries in August and expects to have the capacity to produce about 3,000 vehicles with its own batteries by year-end, she said.

Through April, the company had sold 9,155 cars in its home market, mostly the internal-combustion models it is phasing out. It has sold 996 EVs since launching the e34 in Vietnam.

The company is also in the process of expanding its existing plant in Haiphong, Vietnam and expects to be able to produce 820,000 vehicles annually there by 2025, Thuy said. The company will retain its operational headquarters in Vietnam, a spokesman said.

## 9. ACB: Stock issuance to pay dividend for 2021

↑ 1.17%

On May 24, 2022, Asia Commercial Joint Stock Bank announces the stock issuance to pay dividend for 2021 as follows:

- Stock name: Asia Commercial Joint Stock Bank
- Stock type: common share
- Par value: 10,000 dong
- Number of shares issued: 2,701,948,075 shares
- Number of outstanding shares: 2,701,948,075 shares
- Number of treasury shares: 0 share
- Number of shares expected to be issued: 675,487,019 shares

- Total value (based on par value): 6,754,870,190,000 dong

- Issue ratio: 25% (Shareholder who owns 100 shares will receive 25 new shares).

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

- For example: at the record date, shareholder A owns 95 shares. With 25% exercise ratio, the shareholder A will receive:  $95 \times 25/100 = 23.75$  shares. According to rounding policy, the shareholder A will receive 23 new shares and the fractional shares of 0.75 share will be transferred to Trade Union of Asia Commercial Joint Stock Bank.

- Record date: June 03, 2022.



**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)*