



# VIETNAM DAILY NEWS



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## Market Analysis

### 1. Trading value hits six-week high

Vietnam's benchmark VN-Index Tuesday rose 0.83 percent to 1,241.62 points, the highest since mid-June, with trading also the highest in six weeks.

The index closed 10.27 points up after gaining 25 points Monday.

Trading on the Ho Chi Minh Stock Exchange rose 4.27 percent to VND16.89 trillion (\$723.2 million), the highest since June 20, as investors keep buying the dip.

The VN-30 basket, comprising the 30 largest capped stocks, saw 19 tickers gain.

VHM of property giant Vinhomes rose 4.2 percent to the highest since June 30. VIC of the Vinhomes' parent company Vingroup also surged 2.9 percent.

SAB of brewer Sabeco extended its winning streak with a 2.6 percent gain. The ticker is now at the highest since last March after rising 22 percent in 11 sessions.

Other winners included VCB of state-owned lender Vietcombank, up 2.5 percent, and POW Petrovietnam Power, up 1.9 percent.

Ten blue chips bucked the trend, led by PLX of fuel distributor Petrolimex with a 1.9 percent drop after announcing losses of nearly VND141 billion for the second quarter.

Seven losers were bank stocks, with BID of BIDV losing 1.3 percent and STB of Sacombank falling 1 percent.

TCB of Techcombank lost 0.8 percent, and ACB of Asia Commercial Bank fell 0.4 percent.

Foreign investors were net buyers to the tune of VND370.46 billion, focusing on SSI of leading brokerage SSI Securities and HPG of steelmaker Hoa Phat.

The HNX-Index at the Hanoi Stock Exchange, where mid and small caps list, was up 0.41 percent while the UPCoM-Index at the Unlisted Public Companies Market was up by 0.12 percent.

## Macro & Policies

### 2. Property market enjoys lively M&As in first 7 months

Vietnam's property market, including the industrial, residential and office segments, saw vibrant merger and acquisition activities in the first seven months as companies pour big bucks into potential projects.

In mid-July, CapitaLand Development, a unit of Singapore-based property developer CapitaLand, bought eight hectares of land in Thu Duc City to build a residence and shophouse complex comprising 1,100 apartments.

The deal is set to be finalized next year, while construction is scheduled to begin in 2024 and completed in 2027.

Hong Kong-based investment firm Gaw Capital Partners in June announced a data center project covering over 6,000 square meters in Saigon Hi-Tech Park.

Several other acquisitions were made between March and May at industrial parks in Ho Chi Minh City, and the southern provinces of Dong Nai and Ba Ria – Vung Tau.

The residential property segment has experienced strong M&A activities, especially in HCMC.

Novaland bought the Kenton Node project in Nha Be District and renamed it Grand Sentosa with plans to build 1,640 luxury apartments.

The project was formerly developed by Tai Nguyen Construction and Production Trading and has been delayed for 13 years.

Property developer Masterise Homes this year acquired the 117-hectare Sai Gon Binh An project near Long Thanh – Dau Giay Expressway and renamed it The Global City.

In terms of investment, U.S. investment fund Warburg Pincus poured \$250 million into Novaland to increase its land fund and develop existing projects.

VinaCapital and Dragon Capital jointly invested \$103 million in Hung Thinh Land, a southern property developer.

Several major deals were also recorded in the north. In early January, Singapore-based real estate logistics provider GLP established GLP Vietnam Development Partners 1 with a total investment of \$1.1 billion to fund six logistics centers covering a total 900,000 square meters.

In February, BW Industrial, founded by Warburg Pincus and Vietnam's industrial infrastructure developer Becamex IDC, announced it had bought 74,000 square meters of land in Bac Tien Phong Industrial Park of Quang Ninh Province.

CapitaLand Development had also signed a memorandum of understanding with Bac Giang authorities to develop a residential, industrial and logistics complex covering 400 hectares with a commitment to invest \$1 billion.

In the first six months, developer Viva Land signed two major deals. It bought the office building Capital Place in downtown Hanoi from CapitaLand at \$550 million. It also bought the residential and commercial complex Saigon One Tower in HCMC's District 1 and renamed it IFC One.

CEO of developer Cushman & Wakefield Trang Bui said the residence, industrial and office segments all saw vibrant M&A activities in the first seven months.

The industrial segment is set to see more activity in future as demand remains high, she added.

Trang said Vietnam's property market is seeing increased interest from foreign investors, especially highly profitable projects.

Trang Minh Ha, chairman of business consultancy North Stars Asia, forecast that foreign direct investment would continue to flow into industrial parks from now until 2025.

### 3. Developers call for policy changes to ease social housing problems

Leading property developers have called on the government to fast-track approvals and ease restrictions that are stymieing the industry's growth.

The approval process is taking at least 600 days and that should be cut to 90-120 days, Vinhomes chairman Pham Thieu Hoa said at a conference on social housing development chaired by Prime Minister Pham Minh Chinh on Monday.

Developers who build social housing on their own land should be allowed to hire contractors without calling for bids to speed things up, Hoa said.

Developers should also be involved in the 1:500 planning process for housing projects for the same reason, he added.

The property giant wants to build 500,000 social housing units in the next five years.

Dang Minh Truong, chairman of conglomerate Sun Group, said businesses should be able to buy social

housing to rent out or resell to their low-income employees.

These houses are sold at below market prices, and currently only disadvantaged people, including workers, and certain government employees can buy them.

Truong also called for scrapping a regulation that developers have to set aside 20 percent of land at their commercial projects for social housing if local demand has been met.

Duong Cong Minh, principal shareholder of property developer Him Lam, said the 20 percent rate makes social housing "fragmented" and recommended instead consolidating it at a few places.

He also alluded to the complications involved in converting commercial housing projects into social housing, with his firm taking five years in one instance to complete legal procedures.

"Converting commercial projects into social housing is even more complicated than getting approval for new commercial projects."

### 4. End of the line for loan hopefuls as banks exhaust credit quotas

It has become a struggle to get loans from banks to buy houses or cars with lenders saying they have used up their credit growth quotas.

Hoang Nam of Hanoi wanted a mortgage recently and was confident he would get the loan since he was buying the apartment to live and not to speculate, but every bank he approached turned him down.

"We are approaching our credit ceiling and cannot give loans," they told the 30-year-old media employee.

Another Hanoi resident, Xuan Bach, wanted to buy a used car, but even banks that advertise they disburse loans in 24 hours are turning down his application.

Employees at several banks said the credit cap is keeping many borrowers waiting since they could get a loan only when other borrowers repay.

Some banks have told their employees to stop accepting new loan applications.

Property developers have repeatedly said they cannot borrow from banks and so lack money to work on their projects for the rest of this year.

The State Bank of Vietnam has set a credit growth cap of 14 percent this year and allocated banks quotas as it seeks to keep inflation under control.

Often in the past it has revised upwards the quotas in the middle of the year, but with the credit growth rate of 9.35 percent this year being the highest in a decade, it has desisted this year.

Lenders like Vietcombank, BIDV, MB, ACB, VPBank, and Shinhan have all said they are closing in on their credit ceiling.

The head of a bank who asked not be identified said with the 7 percent credit cap nearly reached, the bank is waiting for a revision by the central bank and is selective about giving new loans, filtering out consumption and securities-linked loans to prioritize other sectors.

Economist Can Van Luc said the central bank has to ensure there is liquidity in the economy to achieve the government's two-year recovery plan.

"The State Bank of Vietnam needs to make a more detailed analysis of the inflation to take appropriate action."

While the government should not be reckless with inflation, it needs to make sure there is enough credit for public disbursement, he added.

## 5. Zalo subscription fees to add little benefit, alienate free account holders

Vietnamese instant messaging app Zalo would limit friend lists, message requests and other functionalities if users fail to pay monthly subscription fees starting this August.

The new policy, announced in late June and supposedly entering effect Monday, would introduce several changes to accounts belonging to free users of the app. They cannot have more than 1,000 users on their contact list, cannot use usernames, can only respond to up to 40 strangers' messages a month and are limited to five quick messaging templates. If users outside of their contact list search for their phone numbers, their accounts would only show up about 40 times a month.

Previously, a free Zalo user could have up to 3,000 accounts on their friend list and there were no limitations regarding searches using phone numbers or responses to strangers' message requests.

Zalo has introduced three pricing packages to upgrade a free account to a Zalo Business account, ranging from VND84,000 (\$3.60) to VND1.65 million a month. The highest priced Elite package would allow users to have up to 5,000 friends on their contact list, allow strangers to search for users' phone numbers up to 2,000 times a month, and allow users to respond to strangers' message

requests up to 2,000 times a month, among other functionalities.

Zalo said the new pricing schemes would help users "manage their privacy rights better." But several users claim this is how Zalo directs users towards paid accounts under a monthly subscription model.

Some businesses say the new changes would interfere with their ability to operate.

"Because our customers cannot add us to their friend lists, we both have difficulties when one of us requires help. Customers would also not be able to access our social media posts on Zalo," said Nguyen Hanh, owner of an online food business.

Hanh said she is willing to pay several hundreds of thousands of Vietnamese dong a month if that would allow the social media platform to help her business. However, limitations set for even paid accounts make business owners like her worried, as their operations could still be interrupted once they reach those limits.

"Imagine if a new customer messages us and we cannot respond. What will happen then?" she asked, adding she would expand operations to other platforms to reduce her dependence on Zalo.

Tuan Ha, president of Vinalink, said Zalo's decision is "understandable."

"Due to their large user base, even if they decide to introduce subscriptions, some are still willing to use the app," he said. However, he believes Zalo's approach of limiting functionalities could lose points with users.

For example, the lowest Standard pricing package that requires users to pay VND1 million a year, has no added benefits, while some existing functionalities like the ability to add people to contact lists is cut down by half compared to before the subscription model was introduced. In order to regain prior usage capabilities users would need to pay for a Pro pricing package, double the price of the Standard option.

"Many will think this is absurd. Not everyone is willing to pay that amount of money," Tuan said.

Some of the most popular instant messaging apps in Vietnam like Messenger, Viber, Telegram and Skype are either totally free to use or provide extra functionalities with a fee. None of them limit existing functionalities for users who don't pay.

Ha said Zalo should have used its subscription model to fix some existing app issues instead of cutting users off from the functionalities they had previously enjoyed.

"Free accounts should stay as they were. Zalo should allow subscription so users can enjoy added benefits, like permanent data storage," he said.

## 6. Vietnam imposes anti dumping duty on Thai-origin sugar

Vietnam has imposed an anti-dumping and anti-circumvention levy on Thai sugar imported via 5 ASEAN nations.

The final verdict was made Monday, and the duty of 47.64 percent will become effective between Aug. 9 and June 15, 2026.

The probe was launched last September after local firms reported sugar products imported from Laos, Cambodia, Indonesia, Malaysia, and Myanmar did not originate in those countries.

Sugar imports in Vietnam jumped five times year-on-year to 527,200 tons in the period between October 2020 and June 2021, according to the Ministry of Industry and Trade.

Imports from Thailand, however, slumped 38 percent in the same period.

This was the period that Vietnam was investigating Thai sugar for dumping and subsidizing.

"The sugar industry has provided evidence showing signs of Thai sugar's trade remedies evasion through five countries mentioned above, especially the sudden jump in sugar imports," the trade ministry said in a statement.

Last June, Vietnam imposed an anti-dumping levy of 47.64 percent on some sugar products from Thailand for five years.

Around 3,300 Vietnamese farmers lost their jobs, and 93,225 farming households were affected due to difficulties in the domestic sugar industry, according to the trade ministry.

## 7. Vinh, Hue among cheapest travel destinations for Australians

Australian newspaper The News Daily has listed Vinh and Hue towns in central Vietnam among budget-friendly destinations for Australian travelers amid rising living and airfare costs.

"Australians are travel-hungry after two years of lockdowns, but the rising cost of living and airfares could put globetrotting dreams on hold," the newspaper wrote.

It said the Australian dollar is much stronger than the Vietnamese dong, so holiday savings could go further in Vietnam. Currently AU\$1 is worth around VND16,200.

Flights to Vinh and Hue from Melbourne both cost under US\$520.

Vinh is known for its beaches and as the economic and cultural center of north-central Vietnam while Hue used to be the feudal capital of Nguyen Dynasty, Vietnam's last royal family (1802-1945) and famed for its royal mausoleums and other historic heritages.

Vinh International Airport is around eight kilometers from the city center while Phu Bai Airport is around 15 kilometers from downtown Hue.

Other cheap destinations for Australians include George Town, Kuching and Langkawi in Malaysia, Van and Gazipasa in Turkey.

Vietnam reopened quarantine-free international tourism from March 15 and has lifted most other Covid restrictions since.

## Corporate News

### 8. DIG: Vice Chairman of DIG registered to buy 10 million shares but did not collect any shares

↑ 0.13%

In the recently announced transaction report, Mr. Nguyen Hung Cuong - Vice Chairman of DIG and the younger brother of Chairman Nguyen Thien Tuan - has yet to buy any shares out of the total of 10 million registered shares in the period from the 30th. 06-29/07. The reason he gave was that he could not arrange finances in time.

At DIG, Mr. Cuong is still the second largest shareholder with more than 62.7 million shares in

hand, equivalent to 10.28%, only after Thien Tan Development Investment Joint Stock Company.

In the stock market, DIG is a stock that has received a lot of attention, with sharp ups and downs. Closing the session on August 2, DIG stock stopped at 39,600 dong/share, down 60% from the peak of 100,000 dong/share at the beginning of the year.

### 9. SSI: VN-Index will fluctuate "sideway", P/E 2023 is 9.7x

↑ 0.13%

According to the market outlook report of SSI Securities JSC ( HOSE : SSI ), the risks and challenges for investors will become clearer in

2023 and 2024. VN-Index 's outlook will fluctuate according to the trend. "sideway" (sideway).



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