



VIETNAM DAILY NEWS

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Market Analysis

1. Indices end mixed, VN-Index rebounds

Shares finished mixed on Tuesday, with the market benchmark ending two-day losses on bottom fishing demand.

On the Ho Chi Minh Stock Exchange (HoSE), the VN-Index reversed the downtrend to inch higher. Of which, the index gained 8.59 points, or 0.68 per cent, to 1,279.39 points.

The market's breadth returned to a positive zone with more stocks adding points, while liquidity fell significantly compared to the previous session. On the southern bourse, matching value declined by 35.1 per cent to more than VND12.2 trillion (US\$521.5 million), equivalent to a matching volume of 474 million shares.

The 30 biggest stocks tracker VN30-Index also bounced back from recent losses, with a rise of 4.89 points, or 0.38 per cent, to 1,298.14 points. In the VN30 basket, 18 stocks increased, of which one stock hit the ceiling price, while eight stocks inched lower. And four stocks finished flat.

The benchmark's reversal was thanks to demand for bargains after the index fell for two consecutive sessions. Many stocks in attractive sectors, including banking and manufacturing, posted strong performance.

Vietcombank (VCB) was the bullish trend leader on Tuesday, with an increase of 4.24 per cent. It was followed by Vietnam Rubber Group (GVR), BIDV (BID), Vietinbank (CTG) and Masan Group (MSN), up in a range of 1.34-6.81 per cent.

Other stocks supporting the rally were Vinhomes (VHM), VPBank (VPB), MBBank (MBB), Duc Giang Chemicals Group (DGC) and Techcombank (TCB).

"The VN-Index continues to accumulate in a zone of 1,260-1,285 points. And it is expected to retest a range of 1,275-1,277 points, and return to the territory of 1,285-1,290 points," said Saigon-Hanoi Securities JSC.

However, the HNX-Index on the Ha Noi Stock Exchange (HNX) extended the bearish trend, falling for three straight sessions. Specifically, the HNX-Index lost 1.68 points, or 0.57 per cent, to 293.86 points.

On the other hand, foreign investors continued to net sell on HoSE with a net value of VND14.4 billion, while they net bought a small amount of VND1.97 billion on the northern market.

Macro & Policies

2. Inflation pressure eases on fuel price cuts

The inflation pressure eased significantly in August on Government efforts to bring down petrol prices although prices of other goods and services kept increasing, according to the General Statistics Office.

GSO's update on Monday showed that the consumer price index (CPI) increased slightly by 0.005 per cent in August over the previous month – the lowest increasing rate of August during the past five years, compared to the highest rate of the five-year period recorded in August 2018 at 0.45 per cent.

The CPI in August rose 3.6 per cent against December 2021 and 2.89 per cent against the same month last year.

On average, the CPI rose 2.58 per cent in January – August, demonstrating that the inflation pressure was easing significantly on Government efforts at cutting petrol prices from the beginning of August.

The eight-month CPI in the past five years was highest in 2018 at 3.52 per cent.

Cutting fuel prices on August 1, 11 and 22 altogether brought down petrol prices by 14.52 per cent and diesel oil prices by 12.9 per cent compared to the previous month, making the price index of the transport services fall by 5.51 per cent.

GSO said that the drop in transportation services prices contributed to pushing down CPI in August by 0.53 percentage point.

However, for January-August, domestic fuel prices increased by 45.33 per cent against the same period last year after 14 hikes and eight cuts, pushing up the overall CPI by 1.63 percentage points.

Among 11 goods and services components in the CPI basket, nine increased in August over the previous month, except for transport and gold.

Restaurant and catering services increased by 1.05 per cent and food by 1.33 per cent, in which pork prices rose by 4.95 per cent on rising animal feed prices.

Education rose by 1.46 per cent as some provinces and cities under the central management increased school fees for 2022-23.

Other components increased by between 0.18 per cent to 0.73 per cent.

Core inflation, which excluded prices of food, energy and goods and services subject to State management, in August rose by 0.4 per cent over July and 3.06 per cent over a year ago.

In January-August, core inflation increased by 1.64 per cent, lower than the overall CPI of 2.58 per cent, demonstrating that the price increase was mainly from food and fuel.

Amid global uncertainties, Prime Minister Phạm Minh Chính has stressed that stabilising the macro-economy and controlling inflation remain the top priority.

At the end of July, the PM sent a document to ask management agencies to increase the control of prices of goods and services after strong drops in fuel prices.

Government efforts in reducing fuel prices gave room to control inflation at below 4 per cent this year as set by the National Assembly.

The Ministry of Finance forecast the CPI this year at 3.37-3.87 per cent while the GSO forecast 3.4 – 3.7 per cent.

3. Trade surplus hits nearly \$4 billion in 8 months

The total export and import turnover of goods was estimated at US\$64.34 billion this month, a month-on-month growth of 5.2 per cent and a year-on-year increase of 17.3 per cent, reported the General Statistics Office.

The total import and export turnover of goods is estimated at \$497.64 billion in the first eight months of this year, up 15.5 per cent over the same period last year.

Exports rose by 17.3 per cent, and imports rose by 13.6 per cent.

The balance of trade in goods in the first eight months is estimated to have a trade surplus of \$3.96 billion.

Export turnover of goods is estimated at \$250.8 billion in the first eight months, up 17.3 per cent over the same period last year.

The domestic economic sector reached \$66.14 billion, up 18.4 per cent, accounting for 26.4 per cent of total export turnover.

The FDI sector (including crude oil) reached \$184.66 billion, up 17 per cent, accounting for 73.6 per cent.

There are 30 items with an export turnover of over \$1 billion in the first eight months of this month, accounting for 91.8 per cent of total export turnover. There are six export items over \$10 billion, accounting for 63.4 per cent.

The General Statistics Office also said that the import turnover of goods was estimated at \$246.84 billion in the first eight months of this year, up 13.6 per cent over the same period last year.

The domestic economic sector reached \$85.58 billion, up 12.5 per cent, while the FDI reached \$161.26 billion, up 14.2 per cent.

In the eight months, there were 38 imported items worth over \$1 billion, accounting for 90.8 per cent of the total import turnover.

Four imported items were over \$10 billion, accounting for 45.2 per cent.

Regarding the export and import market of goods in the first eight months, the US is the largest export market of Việt Nam, with an estimated turnover of \$77.7 billion.

China is the country's largest import market, with an estimated turnover of \$82.1 billion.

To support export businesses, the Ministry of Industry and Trade focuses on implementing new generation FTAs to assist companies in understanding commitments in FTAs to apply and promote the agreement's incentives effectively, make the most of opportunities and limit challenges from these agreements.

The ministry will continue to innovate, organise trade promotion programmes, connect supply and demand both at home and abroad on the online environment and new platforms; step up trade promotion at the national level, support enterprises in exporting agricultural products; and organise regional connection activities to promote the consumption of agricultural commodities.

The ministry will simplify administrative procedures; focus on implementing managerial procedures in import and export under the ASEAN one-stop-shop and National one-stop-shop mechanism; and support domestic enterprises to develop to reduce dependence on the FDI sector in production and export.

It will also forecast the domestic and world commodity markets, policies, and trading practices needed so that the Government, ministries, branches, associations and enterprises can timely react, help businesses improve their competitiveness and effectively penetrate the market.

It is forecast that exports in the last months of the year will still face many difficulties as the global economy continues to face many problems and challenges, reducing the demand for goods.

4. Gas stations run out of fuel in southern Vietnam

Gas stations in several southern localities have run out of supplies of petrol, diesel and other fuels and have stopped doing business.

In Tinh Bien District, An Giang Province, six gas stations that get their supplies from Ho Chi Minh City-based Dai Dong Duong Petroleum JSC have stopped selling since Monday.

A Dai Dong Duong representative said that they have not been able to buy fuel from distributors for the last five days.

He attributed the supply shortage to seven fuel distributors who had their import license revoked for 1-2 months mid-August for violating safety and stockpiling regulations.

Also, distributors are giving supply priority to companies in their own system on learning that market prices are going up.

Huynh Van Thanh, owner of the Thanh Loi station in An Giang's Cho Moi District, said his station had been out of diesel for two days as of Tuesday, but the distributor would not supply the fuel until Sep. 6.

As for gasoline, his station has not bought enough to meet demand for fear of making losses.

Thanh said that the station is given a discount of VND210 for each liter of gasoline and is allowed to buy a maximum of 3,000 liters at a time, which means a total profit of VND630,000 (\$27).

Meanwhile, the cost of renting a tank truck is VND900,000, which means the station has lost VND270,000 even before it has started selling. Then there is the cost of electricity and staff salaries. Every day the gas station loses VND1.5-2 million, he said.

According to the An Giang Market Management Department, as of Monday, 19 petrol stations across the province had closed while 36 had announced they were running out of fuel, accounting for nearly 10% of gas stations in the province.

The department said the stations were running out of fuel because it was difficult to get them from distributors.

A similar situation has been reported in the Mekong Delta province of Dong Thap.

Nguyen Huu Dung, director of the province's Industry-Trade Department, said Tuesday that in the past week, 10 petrol stations have asked to temporarily close for "personal reasons."

He said it is possible that they want to stop selling to avoid losses.

"The department received an application from a station to suspend operation for three months because they were losing VND350 dong for every liter of gasoline," he added.

Also in the Mekong Delta, the Market Management Department of An Giang Province said two of 132 stations have halted operations while two others announced they've run out of gasoline.

A representative of the Chau Thanh Petroleum Trading Service Co., Ltd in Tien Giang, which supplies fuel to 114 stations in the province, said it only has enough in stock to distribute in three days.

The reserves of this firm were running out and supply from its distributor, the Military Petroleum Company Region 4 based in HCMC was deficient, the rep said.

In HCMC and neighboring Dong Nai Province, many dealers said that the amount of imported gasoline has dropped as increasing prices of oil and gas are making importers and distributors worry about suffering losses.

The Vietnam Petroleum Association had proposed Monday that the Ministry of Industry and Trade regulate the price of gasoline on Sep. 1, instead of waiting until Sep. 5, given the strong fluctuations in global fuel prices.

Nguyen Minh Duc with the legal department of the Vietnam Chamber of Commerce and Industry

(VCCI), said the current regulation of waiting for ten days to make changes in gasoline prices does not still cannot allow local businesses to keep pace with price fluctuations in the international market.

That leads to the situation wherein gas stations run out of stock before each price adjustment, he said..

5. Hà Nam targets more investments in hi-tech industry

Industrial parks (IPs) in the northern province of Hà Nam attracted nearly US\$61.7 million in 10 foreign direct investment (FDI) projects and VNĐ3.9 trillion (over \$166.5 million) in 21 domestic ones so far this year.

According to head of the provincial IPs Management Board Trần Văn Kiên, Hà Nam is now home to 510 valid projects with a total registered capital of nearly \$10 billion.

To lure more projects, the management board has regularly coordinated with the Japan External Trade Organisation (JETRO) and the Korea Trade-Investment Promotion Agency (KOTRA), and investment promotion centres in the northern region to increase investment promotion activities.

The province is planning to organise investment promotion events in Japan, the Republic of Korea (RoK) and Taiwan (China) in September and October this year in order to introduce its investment environment to foreign investors.

Kiên said Hà Nam has prioritised drawing investment projects in the fields of ICT, digital industry, nanotechnology, biological and high-tech industry, mechanical engineering, manufacturing, and automobile and motorcycle assembly, electricity, electronics, telecommunications, and supporting and new material industries.

Attention has been paid to preparing cleared land plots and investing in developing synchronous and modern IP infrastructure to meet the increasing requirements of investors, he stressed.

The local authorities have also focused on improving the investment environment and promoting administrative reform, speeding up the implementation of infrastructure projects, especially transport works connecting Hà Nam with adjacent localities, and maximising support for businesses in recruiting labourers.

6. HCMC transport department mulls \$1.3-bln renovation of roads leading to ports

The HCMC Department of Transport wants to upgrade 11 roads to improve connectivity with five ports and has sent a proposal to the administration seeking approval.

The VNĐ30.5 trillion (US\$1.3 billion) they are budgeted to cost could be raised by increasing the public spending proposed in 2021-25, the department said.

The five ports for which it plans to improve connectivity are Phu Huu and Cat Lai in Thu Duc City, Sai Gon in District 4, Tan Thuan in District 7, and Hiep Phuoc in Nha Be District.

The roads leading to them carry huge container-truck traffic but are all narrow and have been degraded for years.

The city started to collect seaport infrastructure fees on a trial basis in June and formalized it in April this year.

The lowest fee of VNĐ7,500 (\$0.64) per ton applies to goods not transported in containers, and the highest of VNĐ2.2 million to 40-foot containers after all were halved in August.

As of August 18, the latest date for which figures are available, almost VNĐ1.1 trillion had been collected.

The city has said the port infrastructure fees will be used to build bridges and upgrade major roads near ports to reduce congestion and ease cargo transport.

7. Hà Nội supports trade promotion for agricultural products

Hà Nội's agriculture sector has promoted trade promotion programmes and organised fairs to help cooperatives and enterprises sell agricultural products in the capital city

Head of Hà Nội Sub-Department for Quality Management of Agro, Forestry and Fisheries Products Nguyễn Thị Thu Hằng said: "The city has 25 trade centres and 141 supermarkets, mainly concentrated in the inner city; 454 markets, including two wholesale markets for agricultural products, more than 1,000 convenience stores, 786 safe fruit stores, and more than 128 business chains of agricultural products and food."

Every year the city organises dozens of fairs to help cooperatives and businesses participate in promoting and introducing safe agricultural products to customers.

Hằng added: "Participating in the trade promotion programme has helped cooperatives and businesses gradually renew their thinking and awareness in economic management and corporate governance, constantly improving the quality and value of products served. Many cooperatives reached agreements and signed hundreds of contracts to sell products, supply meat, fish, vegetables, tubers and fruits of all kinds, as well as safe and quality processed food with high quality standards. They have signed deals with distribution agents, restaurants, collective kitchens and supermarket systems such as Saigon Coop, Lotte and Winmart."

Director of Từ Tâm Trading and Clean Food Processing Joint Stock Company Đinh Thị Hải Yến said the company currently offers more than 20 products, such as spring rolls, fried rice nuggets, mackerel rolls and squid rolls. In order to promote consumption, the company has participated in trade promotion programmes and fairs organised by the city's agriculture industry. Thanks to product quality, on average, the company provides consumers with 60kg of processed food every day, and up to 400-500 kg in peak days at convenience stores.

Trade promotion efforts have recorded certain achievements, but there are still many difficulties because many good, high-value agricultural products have not been distributed by enterprises. Trade promotion activities often focus on maintaining, searching and expanding markets to sell the goods, and are not yet associated with product development activities so that they can sell products the market requires.

To promote the consumption of agricultural products, Director of Hương Ngải Agricultural Cooperative, in Thạch Thất District, Nguyễn Đỗ Ban suggested, in addition to improving product quality, the sector should support cooperatives in connecting supply - demand through seminars, fairs, and signing contracts with enterprises.

Hằng said that the Sub-Department regularly introduced facilities for production, preliminary processing, processing for sale that meet food safety requirements in Hà Nội and provinces and cities across the country in order to coordinate and promote the consumption of agricultural, forestry and fishery products. It also introduced businesses, production and business establishments participating in fairs and weeks organised by the Ministry of Agriculture and Rural Development and the People's Committee of Hà Nội. Along with that, it strengthened communication and promotion of processed agricultural products, changing consumer habits from consuming products that lack a certified origin to safe food products.

According to Director of the Hà Nội Department of Agriculture and Rural Development Chu Phú Mỹ, the agriculture sector cooperates with other departments and branches to build a market information and forecast system in order to improve consumption of processed agricultural products in Hà Nội. It helps promote Hà Nội's links with provinces and cities across the country; and promotes the supply of input materials for processing and consumption of processed products.

Hà Nội's agriculture sector advises the city on policies to develop markets and promote trade in agricultural products; as well as financial support for establishments participating in domestic and foreign trade promotion fairs.

Regarding the overall and long-term tasks, Mỹ said: "In addition, the department will continue to accompany businesses to participate in trade promotion programmes, through organising more

online seminars, linking with trading floors and e-commerce platforms, connecting social networking sites to help businesses find opportunities to exploit the market and sell products."

He added that Hà Nội's Department of Agriculture and Rural Development would also connect with provinces and cities to introduce businesses and cooperatives to bring goods to regional or national agricultural trade fairs to expand opportunities.

Corporate News

8. VIC: Vingroup H1 debt hits \$17.08 bln

→ ±0.00%

Vingroup had debts of nearly VND400 trillion (\$17.08 billion) as of June, with a debt-to-asset ratio lower than the property sector's average.

The group said in its latest earnings report that 41.97% of its debt was owed to banks, credit organizations and bonds.

More than a third of the sum (33.78%) are payments made by customers and partners for properties yet to be handed over. Accounted now as debt, it will turn into revenue when the properties are handed over to customers.

The remaining 24.25% of the total debt is what Vingroup owes to suppliers, tax authorities and contractors.

Vingroup has a debt-to-asset ratio of 0.24, lower than the 0.27 average of 40 listed property developers in Vietnam.

The company recorded revenues of over VND31.6 trillion in the first six months, down nearly half year-on-year as its property projects are under construction. They are set to be handed over to customers in the remaining months of the year.

The group saw revenue from hotels and entertainment surging 80% year-on-year in the first half of this year.

Revenue from medical and education services grew by 43.6% and 14%, respectively.

9. SCS nearly doubled its capital to more than trillion VND

↑ +2.38%

Saigon Commodity Services Joint Stock Company (HOSE : SCS) nearly doubled its charter capital after issuing more than 43.1 million bonus shares.

On August 8, 2022, SCS ended the issuance of more than 43.1 million bonus shares, corresponding to the exercise rate of 85%, which means that shareholders owning 100 shares will receive 85 new shares.

As a result of the issuance, more than 43.1 million shares were distributed to 1,828 shareholders and 363 shares were canceled to handle odd shares. The time to transfer shares is expected in the third quarter of 2022.

After completing the issuance, the charter capital of SCS will nearly double, from VND 505.5 billion to nearly VND 1,011 billion.

Besides issuing bonus shares at the rate of 85%, SCS also paid dividends in 2021 in cash to shareholders, at the rate of 30% (VND 3,000/share) at the beginning of June.

In terms of business activities, in the first 6 months of this year, SCS earned more than VND 340 billion in net profit, an increase of 20% compared to the same period last year, thanks to a strong increase in international output in early 2022 and an increase in financial income. more than 60%.

In 2022, SCS sets a target of reaching VND 668 billion in pre-tax profit, an increase of 10% compared to 2021. Compared to this plan, the Company has achieved 55% of the set target after 6 months.

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