VIETNAM DAILY NEWS

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Market Analysis

1. Market hits multi-month lows on strong sell-off force

Benchmark indices extended losses, down about 2 per cent to multi-month lows on Wednesday as investors still took a cautious approach toward risky assets.

On the Hồ Chí Minh Stock Exchange (HoSE), the VN-Index fell 22.92 points, or 1.96 per cent, to 1.143.62 points. This was the lowest closing level since February 2021.

After struggling around 1,150 points, the VN-Index eventually broke down another important support zone, leading the market to the long-term bear market.

As many stocks on the southern bourse continued the recent downside, the market breadth remained in negative territory.

However, liquidity improved, of which matching value on HoSE increased by 16.5 per cent over the previous session to over VNĐ10.7 trillion (US$450.6 million), equivalent to a matching volume of 497 million shares.

The 30 biggest stocks tracker VN30-Index also declined 21.8 points, or 1.84 per cent, to 1,160.66 points. In the VN30 basket, 24 stocks slid, while only five climbed and one ended flat.

The market benchmark weakened for a fourth straight session as risk appetite was still weak, causing a strong sell-off force on the market.

The HNX-Index on the Hà Nội Stock Exchange (HNX) also finished lower on Wednesday, marking its fourth losing session in a row.

Accordingly, the HNX-Index edged down 3.17 points, or 1.24 per cent, to 252.35 points, a low not seen since March 2021.

During the trading day, the matching value on the northern market reached more than VNĐ1.1 trillion, with the matching volume of 61.5 million shares.

Statistics from a financial website vietstock.vn showed that PV Gas dominated the bearish trend on Wednesday, with a decline of 6.73 per cent.

Other big names posting poor performance were Vingroup (VIC), Vinhomes (VHM), Masan Group (MSN), Hòa Phát Group (HPG), Mobile World Investment Corporation (MWG), FPT Corporation (FPT), Vietnam Rubber Group (GVR) and Becamex (BCM). These stocks all lost at least 2 per cent.

On the other hand, some stocks moved opposite to the market's general trend, such as Vietcombank (VCB) up 0.94 per cent, VPBank (VPB) gaining 1.37 per cent, and Vincome Retail (VRE) up 0.75 per cent.

Foreign investors were net sellers on both main exchanges, with a total value of nearly VNĐ30 billion. Of which, they net sold VNĐ4.79 billion on HoSE and VNĐ24.79 billion on HNX.

Macro & Policies

2. Việt Nam, India hold great potential for supply chain cooperation: analysts

Việt Nam and India hold great potential for cooperation in establishing supply chains following COVID-19, which has seriously affected both economies over the past two years due to regional and global disruptions, according to Indian analysts.

India is trying to establish new supply chains to overcome the consequences of COVID-19 and Việt Nam is considered a partner of potential, said Sanjaya Baru, former Secretary General of Federation of Indian Chambers of Commerce and Industry.

According to the Centre for the World Trade Organisation and International Trade at the Việt Nam Chamber of Commerce and Industry, Việt Nam is an attractive market due to being a signatory to a number of free trade agreements.

"India and Việt Nam can work together on establishing new supply chains so that Indian exports to Southeast Asia and East Asia can be enhanced through joint ventures," Baru said.

At the Việt Nam-India Business Forum in New Delhi last December, the two countries signed 12 cooperation agreements in various fields, including human resources training in information technology, oil and gas processing and energy, and trade and investment promotion activities.

Meanwhile, Jagannath Panda, head of the Stockholm Centre for South Asian and Indo-Pacific Affairs, described Việt Nam as an important country in Southeast Asian and Indian supply chain networks.

He lauded Việt Nam-India relations, which have been progressing well and developed into a comprehensive strategic partnership in 2017.

A turning point in relations was the initiation of India's Look East policy in 1991, aiming to cultivate extensive economic and strategic relations with Southeast Asian countries, according to Amitendu Palit, Senior Research Fellow at the Institute of South Asian Studies under the National University of Singapore.

The success of the Look East policy encouraged India to make it more action-oriented, resulting in India's Act East policy, which was announced in 2014.

These policies have made India much more outward looking, Palit said, adding that its relations, particularly economic partnerships with Southeast Asia, have expanded rapidly.

ASEAN and India elevated their relationship to a strategic partnership in 2012 on the occasion of the 20th anniversary of the ASEAN-India Dialogue Relations.

In the context of economic globalisation and regional integration, the two sides have encouraged further cooperation in support of sub-regional development within the frameworks of Mekong-Ganga Cooperation (MGC).

At the 19th consultation meeting on economic cooperation between ASEAN and India in Cambodia on September 16, participants called on the two sides to forge collective action in securing robust supply chain connectivity to maintain the flow of essential goods and services.

Within the relationship between ASEAN and India, relations between India and Việt Nam have always enjoyed a very special position, Palit said.

"There are a lot of commonalities between the two countries," he added. "Both have had challenges with poverty and unemployment, and now also face difficulties from the COVID-19 pandemic."

Despite the serious impact of COVID-19, Việt Nam-India trade recorded impressive growth in 2021, surpassing US$13 billion for the first time, up 36.5 per cent compared to 2020, according to the General Department of Việt Nam Customs.

Palit suggested that Việt Nam and India look closely at the possibilities for cooperation through a large number of supply chains.

“What I have in mind is a large number of products and supply chains making up our production networks, where countries and businesses come together to cooperate,” he explained.

He believes the two countries can discover complementarities in a number of fields, such as agriculture, chemicals, and textile and garment, and more advanced endeavours like artificial intelligence.

According to Indian analysts, following the COVID-19 pandemic, there is a lot of focus on Việt Nam and India, as both countries are critical economic zones for new supply chain connections.

They highlighted Việt Nam’s strategic location and its crucial role in India’s Indo-Pacific vision, which sees the region as essentially a free and open economic area with the protection of sea lines of communication.

The analysts said both Việt Nam and India can complement each other in the Indo-Pacific supply chain network.

3. Central bank acts to tighten đồng liquidity

The State Bank of Vietnam (SBV) has net withdrawn VNĐ57.6 trillion through open market operation (OMO) and foreign currency selling channels to maintain the liquidity of the banking system at a sufficient level and create indirect impacts on the interbank interest rates.

A recent money market report of Saigon Securities Incorporation (SSI) showed the SBV last week net withdrew a total of VNĐ34.6 trillion through the OMO channel and more than VNĐ23 trillion through the foreign currency selling channel.

Previously, in the week of September 12-16, the SBV also net withdrew a total of VNĐ59.6 trillion through the OMO channel.

In the wake of the SBV’s net withdrawal, interbank interest rate for overnight terms last week increased by 40 basis points to 4.9 per cent. The rate for one-week and one-month terms also rose to 5.2 per cent and 5.6 per cent, respectively.

SSI’s analysts believe the SBV will maintain Vietnamese đồng liquidity in the banking system at a state that is not too abundant for the rest of the year in order to maintain the interbank interest rate of the đồng in the range of 5.0-5.5 per cent. The rate is expected to create a reasonable gap with that of the US dollar to minimise pressure on the exchange rate.

According to Trần Ngọc Báu, CEO of data provider WiGroup, the SBV must withdraw cash through the bill channel to raise the interest rate level. In addition, it must also withdraw cash through the foreign currency selling channel as the exchange rate is tense.

Báu forecast the SBV’s net withdrawal will continue until the first quarter of next year and the banking system is under a period of tight liquidity.

The SBV last Thursday announced it would raise its policy rates by 100 basis points, nearly 11 years after the last increase. With the adjustment, the rates have returned to the same level as in March 2020, but are still 50 basis points lower than those before the COVID-19 pandemic.

The SBV’s move came right after the US Federal Reserve (Fed) raised interest rates in its September meeting and was similar to the trend of other central banks after the Fed's decision.

According to SSI’s analysts, although the SBV’s rate increase did not come as much of a surprise to the market as the rate level in the interbank market has been continuously increasing since the end of July, the increase of 100 basis points at one time was relatively large compared to that of both the SBV’s previous hike decisions and other countries in the region.

Besides, the analysts said, the rate increase is more inclined towards maintaining a stable exchange rate, rather than controlling inflation when the country's consumer price index remains under control.

The analysts believe there is still room for the SBV to continue to increase the policy rates as inflation may be higher than that in the pre-pandemic period while the interest rate level is still lower than in the pre-pandemic period.

4. Carbon market to help achieve net zero emissions

Promoting the use of carbon pricing instruments with a focus on the development of a carbon market was important for Việt Nam to achieve its net zero emission goals, experts said.

Greenhouse gas emissions in Việt Nam increased rapidly over the past three decades in direct proportion to the economy's growth.

According to the most recent report on greenhouse gas emissions by the Ministry of Natural Resources and Environment, total emissions would reach 928 million tonnes of CO_2 equivalent by 2030 and 1.5 billion tonnes by 2050 in a moderate scenario.

Việt Nam had quite a high emission intensity per GDP unit compared to other countries in the Southeast Asian region, at about 0.35 kg CO_2 per US$1.

To realise the goal of becoming a high-income country in 2045 and achieving net zero emissions by 2050 as committed at COP26, Việt Nam was facing challenges in creating a low-carbon but rapidly growing economy.

It was necessary for Việt Nam to raise all resources and apply innovative solutions, among which, carbon pricing, including carbon tax and an emissions trading market, are regarded as an effective and feasible tool.

According to Vietnam Initiative for Energy Transition (VIETSE), currently, Việt Nam indirectly imposes a tax on carbon through the environmental protection tax on fossil fuel producers and importers. However, this tax rate did not really reflect the nature of carbon pricing.

International experience showed that carbon tax and an emissions trading market could be flexibly applied in tandem to optimise emissions reductions.

However, the emissions trading market was becoming more and more popular because it allowed businesses to be flexible and proactive in choosing measures to comply with emissions quotas and achieve cost-effectiveness.

The carbon market was first mentioned in the Prime Minister's Decision 1775/QĐ-TTg in 2012, then the Party's Resolution 24-NQ/TW in 2013 and Resolution 50-NQ/CP in 2021.

Accordingly, the Vietnamese Government recognised the development of a carbon market as a must-do to respond to climate change and protect the environment.

Wolfgang Mostert, an expert in energy and climate policies, said that carbon pricing was a policy toward efficiency to achieve emissions reduction goals at the lowest cost.

The carbon market played an important role in the process, however, it would take time and require a large investment to develop and operate this market, he said.

In the current context of deepening economic integration, many countries were striving to reduce greenhouse gas emissions which became a mandatory requirement for enterprises.

Emissions reduction was not only to reduce harm to the environment but also to move towards sustainable development and meet the green standards of importing markets.

Việt Nam's major export markets, including the EU and the US, were preparing to pilot the implementation of the Carbon Border Adjustment Mechanism (CBAM). Accordingly, technical barriers and regulations related to emissions reduction would be erected to force enterprises to follow and a carbon tax would be imposed if enterprises did not meet the requirements.

The pilot implementation was set to start in 2023 for sectors including cement, aluminium, power, steel and iron production. CBAM would officially be applied from 2026. The range of industries which must comply with CBAM would continue to expand in the future, posing significant challenges for Vietnamese export goods.

However, the operation of a carbon market would also create an advantage for Việt Nam's domestically produced goods to increase competitiveness.

Trương An Hà, an export from VIETSE, said that the development and operation of a domestic carbon market would help Việt Nam to take opportunities arising from carbon emissions efficiently, increase adaptability to international carbon pricing mechanisms and enhance the competitiveness of Vietnamese products.

Moreover, a carbon market was also a mechanism to create resources for the development and application of low-emission technologies toward a carbon-neutral economy, she said.

Experts said that it was necessary to develop a clear sanction mechanism for entities which did not comply with their given quotas. Emissions quotas should be set in a harmonious way between emission reduction targets and economic development goals and encourage enterprises to apply emission reduction technologies.

Emissions trading should be piloted first in sectors which were easy to measure such as electricity, industry and buildings before expanding to others, together with a clear mechanism for using revenue from the carbon market to ensure efficiency in promoting low-emission technologies.

5. Việt Nam retains positive economic outlook in short-term: World Bank

World Bank experts has forecast Việt Nam's economy to grow by 7.2 per cent in 2022, the highest growth rate among East Asian and Pacific economies.

According to the East Asia and the Pacific (EAP) Economic Update October 2022 released on September 27, WB experts said the growth will be supported by a strong recovery in domestic demand and continued solid performance by export-oriented manufacturing. However, it would revert to normal rates over the medium-term, with 6.7 per cent for 2023 and 6.5 per cent for 2024.

Việt Nam's inflation rose to 3.1 per cent in July on grounds of higher transport costs, which increased by 15.2 per cent. It is projected to accelerate to 3.8 per cent in 2022 and 4.0 per cent in 2023 due to second-round effects of community price impacts.

Its public debt is estimated at 39.9 per cent of GDP in 2022 and 40.5 per cent for 2023, sustainable and well below the threshold of 60 per cent of GDP set by the National Assembly.

Its poverty is expected to decline from 3.7 per cent in 2021 to 3.3 per cent in 2022. The same goes for lower middle-income poverty, which would fall from 3.7 per cent to 3.4 per cent, before ending up at 3.1 per cent in 2023.

Its public expenditures are likely to speed up in the second half of the year, resulting in a fiscal deficit of 2.8 per cent of GDP in 2022. The deficit is projected to rise to 3.2 per cent next year as the implementation of the 2022-23 support programme picks up.

In the short term, given Việt Nam's ongoing economic recovery and well-controlled inflation, the current accommodative monetary policy remains appropriate whereas a more supportive fiscal policy would hedge against downside risks, including heightened financial risks.

However, if inflation overshoots 4.0 per cent and core inflation hikes up, Vietnamese authorities should consider recalibrating monetary and fiscal policies.

Notably, higher financial sector risks would require intensified prudential supervision, reporting and provisioning on NPLs, and improved corporate insolvency and banking sector resolution frameworks.

In the regional scale, three factors could be a hindrance to regional growth beyond the end of 2022, which are global deceleration, rising debt and policy distortions. The growth is projected to slow to 3.2 per cent this year and accelerate to 4.6 per cent in 2023.

The consumer price index has been on the rise in recent months but remained around target ranges in several major economies. Meanwhile, inflationary pressure is building rapidly in other countries, reflecting mounting energy and food prices, as well as idiosyncratic factors.

In most EAP countries, the rise in public debt during the pandemic was driven primarily by an increase in domestic debt. At the same time, private sector debt remains high, especially household debt in China, Malaysia and Thailand.

Poverty in the region is expected to fall thanks to continued recovery from the pandemic. The pace of poverty reduction returned to pre-pandemic levels in 2022 and the number of poor is projected to reach historic lows.

6. State Bank rate hike necessary to defend VN đồng, control inflation

The State Bank of Việt Nam revised up several interest rates by 1 per cent, starting from September 23. ADB Country Director Andrew Jeffries spoke to Vietnam News Agency on this move in the context of the US' Fed, ECB and a number of other central banks raising their rates to curb inflation.

ADB has kept Việt Nam's GDP forecast unchanged at 6.5 per cent and 6.7 per cent in 2022 and 2023, respectively – a relatively positive statement given the complex situation in the domestic and international markets. Could you justify ADB's forecast?

The Government's measures have been extremely effective. First and foremost, the handling of pandemic, particularly the aggressive vaccination campaign last year, has enabled a more flexible approach in return to economic normals.

Another significant achievement in economic policy is Việt Nam has been maintaining macro economic stability through the pandemic and also through the economic shocks of this year. Việt Nam was successful in controlling inflation this year, despite enormous pressure from energy, and commodity price surges from the world economy.

And monetary policies and measures implemented so far by the Government have greatly contributed to this success, keeping money supply and credit under control, dealing with pressure for a stable exchange rate, while supporting business access to financial resources for recovery. So this is a very delicate balancing act and the SBV should be given credit for this.

Rate hikes by the US Federal Reserve (Fed) and the European Central Bank (ECB) have triggered divestment waves out of emerging markets. How do you evaluate the situation in Việt Nam?

Việt Nam is relatively less affected than many other countries in Asia. First of all, Việt Nam does not have significant government debt in the international bond markets and has relatively low public debt level at 43 per cent of GDP. Capital control restricts overseas portfolio investment or hot money from rapid inflows and outflows from Việt Nam's stock market.

The US Fed's aggressive monetary tightening will trigger short term capital outflows, however what's important to consider for Việt Nam is that foreign direct investment, or FDI, remains healthy in Việt Nam due to its solid medium-term economic fundamentals. It's very important to consider that FDI is long term, it doesn't come and go and flee based on economic shocks. And Việt Nam has strong economic fundamentals and will remain an attractive FDI destination.

The SBV's one percentage point increase in rate is an example of decisive measures that are necessary in this environment where the Fed, ECB and a number of countries have very recently raised rates, with Việt Nam following suit to keep the đồng stable. It was difficult but the right thing to do.

Fed's rate hikes have driven the USD to appreciate against other currencies, including Vietnamese đồng while Việt Nam's economy is quite dependent on material imports. In your opinion, how will this affect the production stability and inflation in Việt Nam?

Throughout Asia, monetary policy tightening has accelerated as central banks in the region have hiked rates to curb inflation and safeguard financial stability and as a reaction to aggressive rate hikes of the Fed, ECB and others. With continued price pressure and since real interest rates remain relatively low in many economies, monetary authorities in the region may have to consider even more tightening to keep inflation in check and to prevent possible capital outflows.

For Việt Nam, a stable Vietnamese đồng is critical to support trade and also contain inflation. Appreciation of US dollar has been detrimental for inflation control effects as it would make imported goods more expensive and would worsen the current account balance and eventually the balance of payments.

Việt Nam also imports a lot of intermediate goods and does final reassembly for re-export. So a stable Vietnamese đồng is also important to maintain relatively lower prices for these important imports that are critical inputs for Việt Nam's further export.

What just happened recently with raising interest rates in Việt Nam is a reaction to all these market conditions that are going against maintaining a stable exchange rate with the US dollar is quite important. It does put pressure on Việt Nam's foreign reserves, especially when the trade surplus and remittance which supply foreign reserves may be reduced in the future if there's a global recession or downturn in major economies like the US, EU and other trading partners of Việt Nam.

I guess with all of this in context, the upward revision of rates in Việt Nam has been a preemptive measure to contain inflation. This will raise financing costs for the economy which is still in the recovery stage, which is a challenging and awkward position for the Government to have to make decisions. So the challenge is how to maintain an accommodative fiscal policy to support growth, while implementing a tightening monetary policy to contain inflation and stabilise the exchange rate.

Besides positive factors, Việt Nam's economy will face certain risks when the global economic downturn might affect exports more heavily than forecast. Could you make some recommendations to mitigate these risks?

High inflation in major economies and the tightening monetary policy around the world is weakening global demand. Việt Nam is an open economy, which means this trend could weigh on Việt Nam's exports.

Another issue is possible labour shortages which could impede the recovery of services in the labour intensive export sector. So recommendations include Việt Nam continue to maintain a flexible monetary policy and closely monitor the global economic situation. SBV's aggressive rate hike is a decisive action in a reaction to the extremely volatile global situation to defend the đồng and keep inflation in check.

Targeted fiscal support for the most vulnerable groups may be needed if inflation does rise. Before the SBV's rate hike, they were using credit room limits to address the problem which is imposing a ceilling on credit quantity to financial institutions. This worked, but it's time to move on to more market based instruments such as increasing rates to promote a healthy financial sector development for longer terms.

So on the fiscal side, Việt Nam's economic recovery development programme has a lot of interesting and innovative features to help companies and businesses recover from the pandemic and the current shocks. So implementation needs to be sped up and again target those in need rather than being too broad to limit leakages and abuses.

And more thinking in the longer-term, priority should focus on improving the overall business environment which has come a long way but that's a gradual and continuous process that needs to keep going.

7. Dim outlook for domestic auto component industry

Vietnamese automotive component industry has a dim outlook for growth as it lags behind those in many other regional countries, according to the Ministry of Industry and Trade (MoIT).

Notably, the number of domestic suppliers qualified to participate in automobile manufacturing and assembling in Việt Nam pales compared to that in Thailand.

The former has fewer than 100 tier-1 suppliers, whereas the latter has nearly 700. The contrast becomes starker in tier-2 and tier-3, with fewer than 150 against 1,700.

The country has also failed to achieve high coverage of domestically-manufactured autos as the ratio of the cars to total autos stayed at just 7-10 per cent, given the target of 30-40 per cent by 2020.

"The actual ratio fell far short of targets and was dwarfed by the figures in Thailand, Indonesia and Malaysia," the ministry said.

It is worth noting that domestic suppliers produce mostly labour-intensive and low-tech components, including car seats and rubber tires. Such a low value-added production has left domestic components with just a tiny piece of the pie (2.7 per cent).

The lion's share of the pie fell to imported components, predominantly from Japan, China, Korea and Thailand. Specifically, Việt Nam imported around US$2 billion of parts per year between 2010 and 2016.

The MoIT held that the domestic component industry's disadvantage could be caused by outdated production plants and low machinery investments. Without upgraded production lines, domestic suppliers would end up being no match for foreign rivals.

The MoIT suggested more public money be spent to establish three supportive centres in the Northern, Central, and Southern regions. The three centres will be tasked with supporting the growth of domestic suppliers.

"These centres will act as technical centres for testing, quality measurement, inspection, quality certification, consultation and technology transfer, to support domestic suppliers," the ministry said.

It also called for preferential bank loans to domestic suppliers to boost machinery investments in the industry. The loans are recommended to be easily accessible until 2025.

Additionally, the MoIT called for favourable policies to draw more foreign investment into the domestic component industry to nurture its development. However, not all investments should be permitted, only those for home-market-oriented and ASEAN-market-oriented components.

The MoIT called for large-scale production plants in automotive materials, such as steel, to allow domestic suppliers to be less dependent on imported input, thereby incurring fewer costs.

Corporate News

8. DAH: DAH plans to spend 80 billion dong to buy shares of Green Island

↓ -2.94%

The Board of Directors of Dong A Hotel Group (HOSE : DAH) has just approved the transfer of shares of Green Island JSC.

Specifically, DAH will receive the transfer of 8 million shares of Green Island JSC from Smart Invest Consulting and Management Company Limited with a transfer value of VND 80 billion, equivalent to VND 10,000/share.

Green IsLand is the implementation unit of the resort villa project and ecotourism in Thung Nai commune, Cao Phong district, Hoa Binh province.

Green IsLand Resort Villas and Ecotourism Project has a scale of 16.3 hectares, total project investment is 380 billion VND, including about 180 luxury villas, a 5-star hotel complex and services. utility services such as amusement park, marina, restaurant, 3-storey infinity pool.

In a related development, as of June 30, 2022, MBG Group Joint Stock Company (HNX : MBG) is recording its ownership of 20% of charter capital at Green Island JSC (the same name as the company that DAH is about to invest in). investment) and recognized as an associate company, a unit operating in the field of eco-resort and entertainment services.

Regarding DAH 's business activities , in the first half of 2022, the company recorded a net revenue decrease of 95% compared to the same period last year, to more than 6 billion dong. However, thanks to the sudden increase in financial revenue mainly from bond investment, the Company's net profit was 22.5 times higher than the same period last year, reaching more than 37 billion dong.

9. LPT: Driver training company submits application for listing on HOSE

↓ -1.82%

According to a notice from the Ho Chi Minh City Stock Exchange (HOSE), Lap Phuong Thanh Trading and Production Joint Stock Company (UPCoM: LPT) has filed for a stock listing on September 26, 2022.

Specifically, LPT wants to transfer 12 million shares from UPCoM to list on HOSE , equivalent to a charter capital of 120 billion dong.

LPT is the company that operates the driving training center and has the first standardized test ground in Hai Duong. Currently, the center is operating with 3 facilities in Hai Duong city, including 1 test training facility and 2 driving practice training facilities.

As of June 30, 2022, the Company has 5 major shareholders who are all individuals, owning a total of 44% of the capital. In which, Mr. Phan Quang Tiep - Member of the Management Board of LPT (former Chairman of the Board of Directors of LPT) is the largest shareholder, owning 14.04% of the Company's capital, equivalent to holding 1.64 million shares. At the same time, a major shareholder in the management board is Mr. Pham Anh Tuan - Member of the Board of Directors of LPT , holding the ownership rate of 7.38%, equivalent to 886,000 shares.

In addition, 3 other major shareholders who are not LPT insiders include Ms. Tran Ngoc Mai owning 10.5% of capital (1.26 million shares), Ms. Tran Thi But holding 6% (720,000 shares) and Mr. Nguyen Thanh Le holding 6.2% of capital (744,129 shares). The remaining 56% of capital belongs to other shareholders, equivalent to more than 6.75 million shares.

LPT shares have been traded on UPCoM since April 8, 2021 with the reference price in the first trading session of 14,800 VND/share. Closing the first trading session, LPT 's stock price dropped to 13,200 dong/share. Up to now, this stock is priced at 10,900 VND/share, down 17% compared to the first trading day.

Regarding business activities in the first 6 months of 2022, LPT said that in 2022, the epidemic situation has been controlled, the Company's activities are no longer interrupted due to social distancing as in the same period last year. The Company's trade is also favorable. At the same time, driver training activities have a high number of student records compared to the same period last year.

Accordingly, net revenue in the first half of the year increased by more than 72 billion dong, equivalent to 5.2 times higher than the same period last year, reaching nearly 95 billion dong. In which, commercial activities increased by nearly 58 billion VND (up 100%) and driving test training increased by nearly 15 billion VND (2.6 times higher).

With the revenue of all activities increasing along with the establishment of unit price norms and cost management already in the system, the profit of driver training activities increased over the same period, while the profit of the operation Trade activity remained stable. Since then, the company has earned a net profit of more than 7 billion dong, 4.6 times higher than the same period.

In 2022, LPT aims to achieve VND 140 billion in net revenue and VND 13 billion in after-tax profit, up 14% and 2% respectively compared to 2021.

Compared with this plan, the Company has achieved 68% of revenue target and 57% of profit target after 6 months.

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