



# VIETNAM DAILY NEWS



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## Market Analysis

### 1. Indices reverse course to finish higher on bargain-hunting demand

Indices reversed course to finish higher on Monday, thanks to bottom-fishing demand. However, gains were capped by lingering selling force.

The VN-Index on the Hồ Chí Minh Stock Exchange (HoSE) closed the day at 1,042.48 points, an increase of 6.57 points, or 0.63 per cent. It continued falling deeply at the beginning of the afternoon trade, but some bargain-hunting activities helped lift the benchmark index.

The market's sentiment was more bullish with more stocks increasing, of which 208 stocks inched higher and 124 reduced. However, liquidity remained at a low level as matching value on the southern market decreased by 38.6 per cent to VNĐ9.8 trillion (US\$412.6 million), equal to a matching volume of 542 million shares.

The index's reversal was boosted by some pillar stocks as the 30 biggest stocks tracker VN30-Index still posted a loss of 0.61 points, or 0.06 per cent, to finish Monday at 1,038.93 points. Of the VN30 basket, 17 stocks climbed, while ten declined with one hitting floor price. And three stocks ended flat.

In the top five stocks leading the uptrend, PV Gas (GAS) was the biggest gainer with a gain of 3.92 per cent. It was followed by Mobile World Investment Corporation (MWG), Hòa Phát Group

(HPG), BIDV (BID) and Vietinbank (CTG). These stocks all rose at least 2.7 per cent.

Big stocks in other appealing industries also supported the rally, such as Vinanilk (VNM) up 1 per cent, Vietnam Rubber Group (GVR) inched up 1.81 per cent, while Đức Giang Chemicals Group (DGC) Petrovietnam Fertiliser & Chemicals Corporation (DPM) and PetroVietnam Cà Mau Fertiliser (DCM) even registered a maximum daily gain of 7 per cent.

However, persistent sell-off pressure kept a lid on the gain. Banking, manufacturing, real estate and transportation were sectors that faced great losses. Vietcombank (VCB) led the downside, with a 2.4 per cent decrease in market capitalisation on Monday. Novaland (NVL), Techcombank (TCB), Sabeco (SAB), TPBank (TPB), Masan Group (MSN) and Vietjet Aviation (VJC) also saw poor performance.

The HNX-Index on the Hà Nội Stock Exchange (HNX) also ended higher after sliding for two consecutive sessions. Accordingly, the northern market benchmark jumped 3.76 points, or 1.66 per cent, to 229.85 points.

Foreign investors also took advantage of the recent bearish trend, with a total cash inflow worth VNĐ619.36 billion. Of which, they net bought VNĐ578.86 billion on HoSE and VNĐ40.5 billion on HNX.

## Macro & Policies

### 2. Deposits at banks guaranteed: State Bank Governor

Governor of the State Bank of Việt Nam Nguyễn Thị Hồng on Monday affirmed that deposits at commercial banks were all guaranteed in every case.

The official was talking to the media regarding recent issues related to the Saigon Commercial Joint Stock Bank (SCB).

The affirmation aimed to reassure people and avoid rushes for premature withdrawals.

“Depositors at SCB should stay calm and not decide to withdraw their money, especially before the due dates, to have their interest ensured,” Hồng stressed. “In Việt Nam, deposits at banks, including SCB, has so far been guaranteed as safe in all cases.”

In the face of the information affecting SCB operations, the central bank had applied necessary measures to help the commercial lender run normally, and ensure its liquidity, she added.

Hồng stressed that the central bank always sets the goal of being consistent in management to contribute to controlling inflation, stabilising the macro-economy and currency, and ensuring the

safety of operations of the banking system, including SCB.

The central bank also strengthened supervision to strictly handle cases of enticing customers of SCB to deposit money at other banks, Deputy Governor Đào Minh Tú said on Saturday.

In recent days, people who had deposits at SCB were flocking to withdraw their money before maturity over the worry that the bank's operation might be affected by the arrest of some people for violations in the issuance of bonds related to An Đông Group, a member of Vạn Thịnh Phát Group Holdings Corporation, including Trương Mỹ Lan, chairwoman of Vạn Thịnh Phát.

In a press release on Saturday, SCB said that An Đông was not a stakeholder of SCB and Trương Mỹ Lan did not hold any management positions at SCB. The arrest did not affect the normal operation of SCB, the bank said.

It also committed to have adequate solutions and resources to ensure interests of depositors, partners and customers in accordance with the established laws.

### 3. Danang welcomes first international cruise ship since Covid

Over 200 international guests, including tourists and crew members on the French-flagged cruise ship, are mainly from the EU and the U.S.

La Lapérouse will continue docking in Danang on October 16 and 29, offering tourists a variety of tour selections, such as Ngu Hanh Son, Ba Na Hills, the ancient town of Hoi An and the My Son sanctuary.

According to Nguyen Xuan Binh, a representative of the Danang Department of Tourism, La Lapérouse marked the return of cruise ship travels to Danang after the fourth wave of Covid infections, showing good signs of the city's tourism recovery.

La Lapérouse is a leading cruise ship of the fleet of Ponant Explorers consisting of six members managed by the Ponant cruise carrier.

The tour to discover the coast and famous sightseeing places of Vietnam, lasting from 8 to 11 days, is a new journey of Ponant in Asia, offered at a starting price of EUR4,240, equal to nearly VND100 million on its website.

La Lapérouse is an environmentally friendly cruise ship and modernly equipped with an open design and five-star lounge. The highlight of the cruise ship

is a multi-story underwater lounge entitled “The Blue Eye”.

In 2019, Danang welcomed merely 100 international cruise ships with around 130,000 visitors, an increase of 6.2% over the previous year.

#### 4. Ministry proposes 36 criteria to assess efficiency of foreign investments

Accordingly, there will be 25 economic indicators, seven social ones and four related to the environment.

Meanwhile, the social indicators will assess the creation of jobs and incomes for labourers, and those related to gender equality.

The group of economic indicators will evaluate the scale and contributions to the country’s development of the FDI sector, the efficiency of enterprises’ operations, their contributions to the budget, and their use of technologies.

Foreign-invested firms’ efforts to save energy, ensure waste and wastewater treatment, and control greenhouse gas emissions will also be taken into account.

#### 5. Ministries work to ensure petrol supply and maintain operation at retail stations

The Ministry of Industry and Trade and the Ministry of Finance said they would raise the price of fuel from today (October 11) to help increase commissions for retailers to ensure supply at retail stations nationwide.

Gasoline imports in the third quarter fell by 40 per cent from the second quarter, and diesel imports fell by 35 per cent. Only 19 out of 33 suppliers imported gasoline, the ministry said.

The move came following petrol retailers across the country complaining about petrol retail prices, saying they are so low that retailers are losing money.

In a related move, the General Department of Market Surveillance has ordered its agencies in provinces and cities nationwide to enhance supervision of petrol firms to ensure sufficient domestic supply.

The retailers had also submitted a complaint to PM Phạm Minh Chính, saying suppliers had been charging them higher costs while retailers had to sell fuel at the government mandated price, which the two ministries had been decreasing.

Over the past few days, a number of petrol stations in HCM City and the provinces of Đồng Nai, Bình Dương, Cần Thơ, An Giang, Bình Phước and Đắk Lắk have suspended selling fuel or are selling small quantities.

They said fuel price controls go against market principles and cause many stations to suffer losses or shut down.

In HCM City, as many as 54 gas stations said they were out of fuel since suppliers had not delivered it and not even indicated when they would do so.

##### Stable supply

The HCM City Department of Industry and Trade, which oversees gas stations in the city, said it would announce a list of 500 gas stations that are still operational.

The finance ministry said it is important to ensure domestic supply of petrol in all circumstances, adding that one of the reasons for the problem is a drop in gasoline imports.

On Sunday night, Petrolimex, the country’s largest fuel trading firm, mobilised up to 80 tank trucks to transport gasoline to gas stations under its retail

system to make up for shortfalls faced by other fuel retailers.

## 6. State firms should contribute more to development in disadvantaged localities: President

At a meeting with leaders of outstanding State firms in Hanoi ahead of Vietnam Entrepreneurs Day (October 13), the leader stressed that the enterprises have helped to deal with socio-economic challenges while playing the pioneering role in protecting socialism.

The leader lauded the Party Committee of the Central Business Bloc, and Party Committees of groups, corporations and banks in the bloc for their leadership in Party building and the fulfillment of political tasks.

The businesses contribute more than 20% of the national budget collection annually, and take the lead in social welfare, he emphasised.

Pointing to limitations and challenges to the State firms, the President asked the Party Committee of the Central Business Bloc and Party organisations to work harder in order to prevent losses and negative phenomena.

He also urged the enterprises to accelerate restructuring, digital transformation and scientific-technological application, and make better forecast based on domestic and world situation analysis to make use of opportunities and reduce risks.

The business administration system should be upgraded to meet modern standards, and

competitiveness of the enterprises improved, he said, suggesting the issuance of indexes to monitor and evaluate production and business efficiency.

Phuc noted that the State firms should take the lead in research and innovation, build an ecosystem of small- and medium-sized enterprises, form value chains, and optimise the domestic market to integrate into the world.

He called for more contributions from the firms to maintaining macro-economic stability and ensuring security for the national economy, particularly energy and food security, and environmental protection.

The Party Committee reported that the combined revenue of the entire bloc in the first nine months of this year was estimated at 1.54 quadrillion VND (64.47 billion USD), up nearly 39%.

The enterprises contributed nearly 225 trillion VND to the State budget, a rise of some 24%.

Notably, they provided nearly 32.2 trillion VND for the COVID-19 fight and contributed close to 5 trillion VND to social welfare.

## 7. Rising inflation poses challenge to businesses

Vietnamese businesses are expected to face headwinds from inflation, tightening monetary policy and a growing cost-of-living crisis in many of the country's export markets, experts have warned.

A global slowdown seems imminent as central banks embark on the highest round of interest rate hikes in decades to tackle rising inflation, they said.

The risk of importing inflation is obvious due to rising global energy and commodity prices, which could cause a sharp downturn in global demand, they added.

Signs of this have been visible since the beginning of this year as the prices of imported fuels, materials and components increased significantly.

Vũ Văn Hòa, general director of Dutch Technology JSC, an animal feed producer that imports raw materials, said the rise in global commodity prices and weakening of the Vietnamese đồng (VND) against the dollar have sent costs surging.

Phạm Xuân Hồng, chairman of the HCM City Textile and Garment Embroidery and Knitting Association, said Việt Nam is one of the countries that are heavily dependent on imported raw materials and fuels.

The selling price of the USD at banks has increased by nearly 5 per cent against the VND this year to beyond VND24,000.

Manufacturing activity grew at a slower pace as rising raw material costs and the worsening global outlook weighed on corporate sentiments.

While supply disruptions may have run their course, local exporters are also suffering from a slump in global demand as consumers tighten their spending due to high inflation.

Besides, many of Việt Nam's competitors in the region have allowed their currency to devalue even more strongly against the greenback, causing Vietnamese goods to lose their competitive advantage.

But this exchange rate weakness is sending imported inflation skyrocketing.

Nguyễn Đình Việt, deputy chairman of the National Assembly's Economic Committee, said the exchange rate management remains a big challenge this year for the central bank, and requires it to intervene when necessary.

To keep the exchange rate stable, the country needs to accept a higher interest rate.

At a meeting last week, Nguyễn Thị Hồng, governor of the State Bank of Vietnam, said the central bank would continue to manage the pressures caused by external uncertainties.

Speaking at a recent meeting, Prime Minister Phạm Minh Chính said Việt Nam would give top priority to curbing inflation, ensuring economic stability.

The global economy continues to face huge challenges due to a growth slowdown and rising inflation, forcing the central banks of the US, the EU, the UK, and Japan to hike interest rates, which has hugely affected other countries, including Việt Nam, he said.

Võ Trí Thành, member of the National Financial and Monetary Policy Advisory Council, said if Việt Nam devalues its currency too quickly, it would benefit its exports but bring more inflationary pressure, challenging the Government's efforts.

But keeping the currency overvalued would make its exports uncompetitive especially considering the currencies of its trading partners and competitors have weakened sharply against the dollar since the beginning of this year, he added.



## Corporate News

### 8. HBC: HBC won the lawsuit against 2 partners, the total compensation is expected to receive nearly 280 billion VND

↑ 3.02%

Hoa Binh Construction Group Joint Stock Company ( HOSE : HBC ) has recently announced the decision of the People's Court of Ho Chi Minh City related to disputes with Tai Nguyen Construction Production Trading Co., Ltd. Nguyen) and Saigon Silicon Park JSC (Saigon Silicon).

Received compensation of more than VND 155 billion from Saigon Silicon

Regarding the dispute, Saigon Silicon and HBC signed a contract worth nearly VND 229 billion. However, during the working process, the two sides had disagreements, HBC accordingly in December 2021 sued Saigon Silicon to the Vietnam International Arbitration Center (VIAC) next to the Chamber of Commerce and Industry. Vietnam Industry – VIAC, to terminate the contract and demand money. In which, HBC requested compensation and was approved by the arbitration award dated May 13, 2022. After that, Saigon Silicon did not accept the above decision and filed an application to the People's Court of Ho Chi Minh City to cancel the ruling on June 3, 2022.

However, the People's Court of Ho Chi Minh City decided not to accept Saigon Silicon's request to annul the arbitration award dated May 13, 2022 for the dispute between Saigon Silicon and HBC .

At the final decision of the Court, Saigon Silicon will still have to pay HBC an amount of VND 155.5 billion, including more than VND 129 billion of the

contract performed and VND 26.5 billion of interest due to late payment. Along with that, Saigon Silicon will have to pay attorney fees of VND 440 million and nearly VND 1.4 billion arbitration fees.

Received compensation of more than VND 125 billion from Tai Nguyen Company

Regarding the dispute with Tai Nguyen Company, the People's Court of Ho Chi Minh City also did not accept the request to cancel the arbitration award dated March 18, 2022 of the Company in the dispute between HBC and this Company.

Specifically, the Tai Nguyen Company signed with HBC 4 construction contracts, however, due to the lack of agreement on the final settlement, this company has not yet paid HBC . As a result, in November 2021, HBC sued Resources Company to VIAC.

According to the conclusion from VIAC, Tai Nguyen Company will have to compensate a total amount of more than VND 125 billion to HBC , including the principal and interest of 4 contracts of VND 123.5 billion, arbitration fee VND 1.3 billion and lawyer's fee VND 400 million. However, the Company did not agree and asked the People's Court of Ho Chi Minh City to cancel the above judgment.

After the working period, the Court decided not to accept the request of the Resource Company and this company still has to compensate HBC according to the judgment from VIAC.

### 9. TDG: TDG reported 12 times profit over the same period despite falling revenue

↑ 0.74%

TDG GLOBAL Investment Joint Stock Company ( HOSE : TDG ) announced its financial statements for the third quarter of 2022 with a net profit

more than 12 times higher than the same period last year, despite a 22% drop in revenue.

Specifically, in the third quarter, TDG reported revenue of more than VND 276 billion, down 22% over the same period. However, COGS fell more sharply (24%) to nearly VND 258 billion, helping gross profit increase 22% to VND 18.7 billion after deduction.

Revenue from financial activities did not fluctuate significantly, but financial expenses increased sharply to nearly VND 8 billion, 2.6 times higher than the same period last year. The company did not record selling expenses and interest expenses, but general and administrative expenses increased sharply to VND 8.5 billion, nearly 6 times higher than the same period last year.

However, the company can still report profit after tax 12.5 times higher than the same period last year, reaching VND 1.6 billion. This is the 9th consecutive quarter TDG has made a profit. Previously, in the second quarter of 2022, the Company also had a successful business period when it reported profit after tax 17 times higher than the same period (reaching VND 4.3 billion).

TDG explained that revenue and COGS decreased in the third quarter due to the continuous decrease in gas prices. In addition, the Company has tried to manage costs effectively, thereby being able to report growing profits.

In 9 months, TDG 's revenue reached nearly VND 790 billion, down 10% compared to the same period last year, but profit was more than 29 times higher (reaching nearly VND 10 billion). However, compared with the plan set out at the 2022 Annual General Meeting of Shareholders, TDG has only completed nearly 44% of the

revenue target and nearly 56% of the profit after tax plan.

As of September 30, 2022, TDG 's total assets decreased by 14.6% compared to the beginning of the year, to VND 487 billion. Cash increased 75%, to 19.4 billion. Short-term receivables dropped sharply by 60% to VND106 billion, of which mainly short-term receivables from customers (to VND44 billion, down 77.6%). Inventories increased 3.5 times at the beginning of the year, to nearly VND 121 billion, from raw materials and goods.

In terms of capital, total short-term debt decreased to VND 257 billion (-26%), mainly because short-term payables to sellers decreased by 83% to more than VND 26 billion.

At the 2022 AGM, TDG 's Board of Directors approved the plan to offer shares to the public, with the expected number of more than 16.7 million shares and the offering price not lower than 10,000 VND/share. The issuance time is expected to be in 2022, expected to collect more than VND 167 billion. The money raised will be used to invest in the project of Bac Son 2 industrial cluster in Lang Son province (VND 100 billion), supplementing working capital to serve the Company's production and business activities (VND 37.7 billion). and pay short-term debts (VND 30 billion).

On the market, TDG shares are being traded at 4,100 VND/share (afternoon session of October 10th, 2022), down sharply from the peak of 14,200 VND/share on January 7th. Compared to the expected offering price mentioned above, the market price is only 41%.



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