



VIETNAM DAILY NEWS

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Market Analysis

1. Banking stocks help lift market

The Vietnamese stock market recouped some losses on Wednesday, up more than 2 per cent, on sharp gains of pillar stocks in key sectors, while foreign capital also net bought on two main exchanges.

The VN-Index on the Hồ Chí Minh Stock Exchange (HoSE) rose 28.61 points, or 2.84 per cent, to 1,034.81 points. However the rally was capped due to some profit-taking activities after it surged by 3.02 per cent in the morning trade.

The market's benchmark index lost nearly 3.5 per cent due to strong selling force on Tuesday, mostly below the key level of 1,000 points.

Stocks traded on the southern bourse posted mostly positive performance. Specifically, there were 278 stocks that inched up, of which 25 stocks hit the biggest daily gain of 7 per cent, while only 72 stocks fell.

The market liquidity, however, was lower than that of the previous session, with a decrease of 11 per cent in trading value to VNĐ11.47 trillion (US\$479.2 million), equivalent to a trading volume of 616.1 million shares.

The index's reversal was mainly driven by strong recovery of large-cap stocks, especially in the banking industry. The VN30-Index, tracking 30 biggest stocks on HoSE, climbed 33.25 points, or 3.32 per cent, to 1,034.93 points.

In the VN30 basket, only one stock slid, while up to 27 finished higher, of which seven posted the

biggest daily gain. And the remaining two were flat.

Statistics from a financial website vietstock.vn showed that bank stocks continued to lead the market's rally with BIDV (BID) gaining the most in market capitalisation, up 7 per cent.

It was followed by Vietcombank (VCB), Hoà Phát Group (HPG), Vietinbank (CTG), and MBBank (MBB). All the stocks registered maximum intra-day rally of 7 per cent, except VCB with an increase of 3.23 per cent.

Many other stocks also showed support for the market, including Techcombank (TCB), VPBank (VPB), Vinamilk (VNM), Masan Group (MSN), Vietnam Rubber Group (GVR), Vinhomes (VHM), Novaland (NVL), Becamex (BCM), FPT Corporation (FPT), and Mobile World Investment Corporation (MWG), up at least 1.3 per cent.

On the Hà Nội Stock Exchange (HNX), the HNX-Index also recovered from the previous day's loss. It ended Wednesday at 223.43 points, a gain of 4.65 points, or 2.13 per cent.

During the session, investors poured nearly VNĐ881.6 billion into the northern market, equal to a trading volume of over 54.2 million shares.

Foreign investors also injected capital into the two main exchanges with a total value of VNĐ1.3 trillion. Particularly, they net bought over VNĐ1.2 trillion on HoSE and VNĐ68.36 billion on HNX.

Macro & Policies

2. HoSE sees big changes in brokerage market share in Q3

The Hồ Chí Minh Stock Exchange (HOSE) recently announced the market share of brokerage transaction value in the third quarter of 2022. And there are big changes among the top 10.

VPS Securities continues to rank top of the brokerage market share, witnessing a sharp gain from 17.1 per cent in the second quarter of 2022 to 18.71 per cent in the third quarter.

SSI Securities Corporation is lagging behind as its market share keeps falling from 10.02 per cent to 9.60 per cent. However, the securities firm said that it has recently found solutions to retain its market share.

According to SSI, amid the volatile market, the company continues to prioritise risk management for margin lending activities, striving to accompany customers in tough times. As of the end of September, SSI's outstanding loans reached nearly VNĐ15.4 trillion (US\$644.2 million).

It also promotes investment consulting programmes to improve efficiency and risk management for investors.

In the first nine months of the year, the number of new accounts opened at SSI went up 34 per cent year-on-year, but the market share declined significantly.

Most of the remaining securities companies posted sharp drops in market share in the last quarter. VNDirect Securities Corporation's market share plunged from 7.96 per cent in the second quarter to 7.72 per cent in the third quarter.

Hồ Chí Minh Securities Corporation (HSC) dropped from fourth to fifth position, corresponding to a slide from 6.06 per cent to 5.58 per cent in market share. Techcom Securities (TCBS)'s market share decreased from 5.37 per cent to 5.23 per cent.

Mirae Asset Securities Vietnam (MAS) has made considerable efforts to rank fourth with its trading

market share increasing from 5.10 per cent to 5.85 per cent.

Securities companies in Việt Nam have grown dramatically in the past three years thanks to the strong participation of retail investors. The long-term prospects of the securities services industry in Việt Nam remain very positive due to economic growth, a low investor participation rate in the total population, and the size of the capital market, which is expected to develop further.

However, according to FiinRatings, currently the average daily liquidity on the domestic stock market is only about 60 per cent of the average in 2021. This will affect the income growth rate of stockbrokers and the credit risk of margin loan portfolios. As a result, it will have a bigger impact on securities companies, which provide margin loans, focusing on small or speculative stocks.

More firms to join HoSE

In the last days of September, HoSE continuously announced it have received the listing documents of another five companies, increasing the number of enterprises waiting for the approval date to be listed on HoSE to 14 units.

Of which, Lập Phương Thành Trading and Production (LPT), Pacific Petroleum Transportation (PVP) and Hòa Thọ Textile & Garment (HTG) are transferring shares from UPCoM to HoSE, while Nova Consumer and Bảo Châu Pharmaceutical Group are new entrants on the stock market.

In the third quarter, the country's stock market tracked the global markets' slugging trend, with the benchmark VN-Index hitting the lowest since February 2021. The downtrend occurred despite the bright prospect of the country's economy. After a long streak of recovery in July and August, the index fell again at the beginning of September.

It closed the last trading day of September at 1,132 points, down 11.6 per cent month-on-month and 24.4 per cent over last year.

3. An additional \$3.5 billion to be put into the economy

VNDirect Securities Corporation estimates that about VNĐ83.5 trillion (US\$3.5 billion) will be added to the economy after some banks continue to adjust their credit growth limits for this year.

Four banks, VPBank, HDBank, MB and Vietcombank have just adjusted its credit room for the third time this year.

According to VNDirect's data, VPBank has the highest credit growth at this time, adding up to 11.5 per cent, bringing the credit growth for the whole year to 27.2 per cent.

This result is higher than VNDirect's previous forecast of 23 per cent and 20.2 per cent higher than last year, followed by HDBank and MB with the limits extended by 5.1 per cent and 5 per cent respectively.

It brings the full-year credit growth at these two banks to more than 23 per cent and also higher than VNDirect's previous forecast of 20 per cent.

As for Vietcombank, the credit room was added by 0.9 per cent, meaning their full-year credit growth could reach 18.6 per cent.

Up to this point, these are the four banks that are granted the highest credit room in the system, while the remaining banks have only 10-15 per cent room for the whole year.

Based on VNDirect's calculations for 18 banks, about 80 per cent of system credit, the total credit growth of this group after the adjustment will reach about 13.6 per cent by the end of the year.

"This is a move to reallocate credit lines among commercial banks and the State Bank's target of 14 per cent is still maintained," VNDirect said.

At the beginning of September, the State Bank of Việt Nam had an additional adjustment of credit limits for many commercial banks, including the above four banks.

The additional credit growth limit ranges from 0.7 - 4 per cent; in which, Sacombank was granted an additional maximum limit of 4 per cent.

Representatives of banks said that with the additional credit room, banks would continue to control credit growth in essential sectors and industries of the economy, priority areas of the Government, well control liquidity and credit risk, ensure that bad debt ratio is controlled at a low level.

The State Bank of Việt Nam said that the adjustment of the credit room was based on the assessment of the operation of credit institutions in accordance with its regulations, contributing to controlling inflation and stabilises the money market.

At the same time, credit institutions are encouraged to improve their business administration, operational safety, and healthy banking system.

In response to experts' suggestions about the full-year credit growth target that can be adjusted to 15 - 16 per cent, Nguyễn Thị Hồng, SBV Governor said credit management was a very important tool to focus on controlling inflation this year and next.

The State Bank of Việt Nam will continue to maintain its credit growth target of 14 per cent for this year and its consistent policy management is right and won, which is highly appreciated by international organisations.

A report by the SBV's Monetary Forecasting and Statistics Department shows that credit growth has reached 10.96 per cent and credit demand is forecasted to continue to increase in the last months of the year as of September 28.

4. Vietnam should make most of ‘golden time’ to boost exports to EU: diplomat

Vietnamese exporters should make the most of the advantages created by the EU-Vietnam Free Trade Agreement (EVFTA) to help their products gain a firm foothold in the European market, according to Nguyen Van Thao, Vietnamese Ambassador to Belgium and head of the Vietnamese delegation to the EU.

He affirmed that now is a ‘golden time’ for Vietnam to boost its trade ties with the EU, as those advantages are not permanent.

At present, Vietnam is one of the four Asian countries and two in the Association of Southeast Asian Nations (ASEAN) engaged in FTAs with the region which is home to over 450 million people and has a total GDP of more than 16 trillion USD.

Thao also suggested ministries, sectors, and localities to build long-term strategies, even for the next 20 years, which can identify commodities able

to gain a firm foothold in the EU market, and potential fields to enhance cooperation.

The diplomat proposed the Government soon define priority fields to promote cooperation in digital economy and circular economy with the EU.

According to the ambassador, with a coastline of over 3,260km, Vietnam holds huge potential to develop maritime economy – which is also a spearhead sector of Europe.

However, bilateral cooperation in this aspect remains modest, with the European Commission’s ‘yellow card’ warning on illegal, unregulated and unreported (IUU) fishing being a barrier, noted Thao.

He expressed his belief that, with drastic moves by the Government, localities and fishermen, the yellow card can be removed, opening up opportunities for bilateral collaboration.

5. Automobile sales up 8.5% in September

Members of the Vietnam Automobile Manufacturers’ Association (VAMA) sold 33,463 vehicles of all kinds in September, representing a month-on-month rise of 8.5%.

The figure included 25,611 passenger cars, up 2%; 7,539 commercial vehicles, up 37%, and 313 special-purpose vehicles, up 17%.

Of the units sold, 17,193 were domestically assembled, up 11%, while the remaining 16,270 were imported, up 6% from the previous month.

In the January-September period, VAMA members sold 296,403 units, surging by 57% year-on-year. The sales of passenger cars surged 78% to 231,698, while that of commercial vehicles were up 10% to 40,495, and special purpose vehicles, up 2% to 4,210.

In the period, the sales of domestically assembled and imported cars reached 169,958 units and 126,445 units, up 58% and 55%, respectively, over the same period last year.

6. Vietnam’s tra fish exports to ASEAN surge

In the year to September, tra fish exports to the market of the Association of Southeast Asian Nations (ASEAN) had brought in over US\$152 million, accounting for nearly 8% of total tra exports.

Some top ASEAN buyers of Vietnam’s tra fish include Thailand, the Philippines and Singapore.

Tra fish exports to Thailand by the end of the third quarter had reached over US\$70 million, up 81% year-over-year, representing 3.6% of Vietnam’s

total tra fish export value. In September alone, tra fish shipments to Thailand jumped by 165% against August.

Meanwhile, tra fish exports to the Philippines made a significant breakthrough in the first nine months, an increase of five times over the same period last year. By the end of the third quarter, tra fish exports to this market had amounted to an estimated US\$25 million, up 92%, and accounting for 1.3% of Vietnam's total.

Singapore ranked second among the ASEAN countries importing tra fish from Vietnam with US\$28 million in the January-September period, up 56% year-over-year. In September, Singapore tripled tra fish imports from Vietnam.

Malaysia also spent US\$26 million importing tra fish from Vietnam in January-September, increasing 114%.

Other countries in ASEAN, such as Cambodia, Indonesia and Laos, also increased their tra fish imports from Vietnam.

With the current growth rate, ASEAN tends to account for a larger proportion of Vietnam's tra fish exports, possibly surpassing the figure of the EU market in the near future.

As transportation costs have been rising recently, the ASEAN market is a suitable choice for many tra fish exporting enterprises in Vietnam, such as Nam Viet JSC, Hung Phuc Thinh Food JSC, Van Duc Tien Giang Co., Ltd., and Vinh Hoan JSC.

7. HCMC tourism back to high growth path

In January-September, HCMC attracted 21.6 million domestic travelers and over 2.1 million international visitors. Revenue from travel services soared 147.3% year-on-year to over VND4.7 trillion while accommodation and food services generated nearly VND61 trillion in revenue, up 92.1% year-on-year.

HCMC is a gateway to many other localities, in addition to boasting ample heritage and architecture sites, as well as diverse products and services, making it a must-see destination for domestic and international tourists, said Phan Thi Thang, vice chairwoman of HCMC.

Statistics showed the southern metropolis has over 4,000 hotels and lodging facilities with nearly 50,000 guest rooms, some 1,280 travel firms and some 7,000 tour guides, 60% of whom are certified as international tour guides.

To help the sector bounce back stronger, the HCMC Tourism Department has joined hands with travel firms to promote products such as business-leisure travel and Meetings-Incentives-Conferences-Exhibitions (MICE) tours.

In early October, the French luxury vessel Le Laperouse arrived in HCMC, becoming the first international cruise ship to visit Vietnam after a two-year suspension induced by the Covid-19 pandemic.

The city held the 16th HCMC International Tourism Fair in September. The event featured 210 booths from domestic travel firms and 50 others from foreign companies, and attracted over 22,000 visitors with 8,600 transactions.

Nguyen Thi Anh Hoa, director of the HCMC Tourism Department, said the city had developed over 30 inner-city tourism programs and products. Most of them are being provided by tourism companies to stimulate tourism demand.

In the Vietnam tourism development strategy to 2025, the country looks to attract 35 million international visitors and 120 million domestic tourists, and maintain average growth in inbound tourists at 12-14% a year and domestic tourists at 6-7% a year.

Corporate News

8. NVL: NovaGroup, Bui Cao Nhat Quan to buy 10 million Novaland shares

↑ 1.33%

NovaGroup is currently the largest shareholder in Novaland with the ownership ratio of 37.0200%. If the purchase of an additional 8 million shares of NVL is completed as planned, NovaGroup's ownership rate in Novaland will increase to over 37.4%, equivalent to 729,830,010 shares.

Bui Cao Nhat Quan (son of Bui Thanh Nhon - Chairman of the Board of Directors of NovaGroup) has also registered to buy an additional 2 million shares of Novaland, planning to increase his stake to 83,242,008 shares.

Recently, NovaGroup has also increased its direct ownership in Novaland when Bui Thanh Nhon and his wife Cao Thi Ngoc Suong completed the agreement to swap Novaland's shares (NVL) to NovaGroup instead of public tender offering. This was approved at Novaland's Annual General Meeting of Shareholders in 2021 in accordance with Resolution No. 15/2021-NQ.DHDCD-NVL dated April 27, 2021 and does not reduce direct

and indirect ownership rates relating to voting rights in Novaland.

This ownership structure is part of the restructuring process to synchronize with the NovaGroup's ecosystem including 8 member corporations: Novaland, Nova Service, Nova Consumer, Nova Tech, Nova Capital Partners, Nova Logistic, Nova Industry, Nova Finance. The business restructuring was clearly planned in advance, widely announced and implemented via previous phases.

Continuing to increase NovaGroup's ownership in Novaland shows the commitment of NovaGroup as well as Nhon and his family, along with the Board of Directors, to continuing to lead and strengthen the development of Group and other members within the Group, thus ensuring a better growth ecosystem according to the set roadmap, bringing optimal efficiency to customers, investors as well as contributing to the sustainable development of the community and society.

9. VIC: Vinfast commits to accelerating global electrified mobility

± 0%

Four years after its global debut at the 2018 Paris Motor Show, VinFast has announced its return to France as Vietnam's first and only global smart EV maker, marking a significant leap on the journey toward sustainable mobility. For the first time, VinFast will officially introduce a premium electric vehicle line-up from segment B to E to the French market.

VinFast will bring to the 2022 Paris Motor Show (PMS) four models: VF 6, VF 7, VF 8 and VF 9. This is the first time VinFast officially introduces these electric vehicle models to the French market. In particular, the VF 6 and VF 7, respectively, belong

to the B-segment and C-segment, and are two models jointly designed by VinFast and Torino Design. The Pininfarina-designed VF 8 and VF 9 models are VinFast's first two electric SUV models to launch in the global market. VinFast's four all-electric models come with a 10-year warranty, one of the leading warranty policies on the market.

In addition to electric passenger vehicles, in just four years, VinFast has developed a comprehensive ecosystem of electrified mobility covering sustainable energy solutions, electric buses, electric scooters, and cars. The current

electric vehicle line-up has five models, including VF 5, VF 6, VF 7, VF 8 and VF 9 covering segments A to E.

The first 100 VF 8s were recently delivered to VinFirst customers in Viet Nam. Approximately 5,000 VF 8s are expected to be handed to customers in international markets later this year.

VinFast's global debut at the Paris Motor Show 2018 placed Viet Nam on the world map of the automotive industry. At the event, VinFast introduced two gasoline-powered car models, Lux A and Lux SA 2.0, which attracted the attention of the world's audience and press. VinFast was awarded "A Star is Born" by AUTOBEST.

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