



VIETNAM DAILY NEWS

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Market Analysis

1. VN-Index recovers towards 1,000 points

The VN-Index rebounded on Tuesday after four consecutive falling sessions, led by banking, insurance and steel stocks.

On the Ho Chi Minh Stock Exchange, the VN-Index increased 1.17 per cent to close at 997.70 points. It lost 3.3 per cent on Monday and a cumulative 7.4 per cent in the four previous sessions. Thus, the recovery was a positive sign after a steep fall.

Liquidity also improved with 751 million shares worth VND12.6 trillion (US\$514.3 million) traded, up 15 per cent in volume and 4 per cent in value compared to Monday's levels.

The banking industry was the market's main driving force in the latter half of the session with an average growth of nearly 3 per cent, according to data on vietstock.vn. The biggest contributors to the VN-Index included Vietcombank (VCB), up 2.8 per cent; Vietinbank (CTG), up 6.9 per cent; BIDV (BID), up 3.1 per cent; Military Bank (MBB), up 5.1 per cent; and Asia Commercial Bank (ACB), up 4.6 per cent.

Growth of insurance stocks also supported the market with big names such as Bao Viet Holdings (BVH), Bao Minh Insurance (BMI), PVI Holdings (PVI) and Vietnam National Reinsurance (VNR) each rose by more than 4 per cent. Small companies such as Military Insurance Co (MIG) and PVI Reinsurance Corp (PRE) also added more than 3 per cent.

The recovery of steel stocks was also a bright spot in the market on Tuesday. The largest steel

manufacturer Hoa Phat Group (HPG) climbed 4.3 per cent, Hoa Sen Group (HSG) hit the ceiling price of 7 per cent growth and Nam Kim Steel (NKG) increased 3.1 per cent.

According to an analyst at Viet Dragon Securities Co, improving liquidity showed an effort to contain the market's decline. With this slight movement, it's possible that the market will recover slightly to re-test the supply at 1,000 points.

"However, it's worth noting that the overall trend of the market is still negative and this 1,000-point area is becoming a resistance zone of the market. Therefore, investors still need to be cautious and observe supply and demand movements to assess the state of the market," market analyst Phuong Nguyen said in a note.

Meanwhile, on the Ha Noi Stock Exchange, the HNX-Index declined for a fifth straight session, losing 0.71 per cent to end the trade at 208.02 points. The northern market's index has lost nearly 10 per cent since October 18.

Liquidity was almost unchanged with 78 million shares worth more than VND1 trillion being traded.

Foreign traders were mixed. They continued to be net sellers in HCM City's market with a net sell value of VND85 billion but were net buyers in Ha Noi market with a net value of nearly VND11 billion.

Macro & Policies

2. Can Gio int'l container terminal planned to supplement Cai Mep-Thi Vai

Mai stated that the Can Gio international container terminal project is expected to take advantage of Can Gio District and maximize the handling capability of regional cluster ports.

The local media reported that Can Gio has favorable conditions for developing a port system and international container transshipment services due to its water depth and little waves' height and wind speed influence.

"The project is highly feasible as its investor is a leading shipping corporation," said Mai.

Some 80% of the project operation will focus on international shipping services, according to the Mediterranean Shipping Company with its subsidiary Terminal Investment Limited, the project's investor.

According to Mai, the project will increase the competitiveness of Vietnam and the Southeastern

region, which will help draw more foreign direct investment inflows.

The Can Gio international container terminal project has a total investment of US\$5.9 billion, funded mainly by local and foreign investors. It is expected to handle vessels with 250,000 DWT.

The port covers roughly 90 hectares and includes over nine kilometers of wharves, with a designed capacity of 18 million twenty-foot equivalent cargo units per year.

The project is divided into seven phases, with its first phase expected to begin in 2024 and put into service by 2027. The last phase will be launched in 2040, according to the Vietnam News Agency.

Between 2015 and 2020, the cargo throughput at HCMC's seaports increased by 7.34%. Growth is predicted to reach 5% in 2021 and 2025.

3. HCM City property retail market to recover

A report from the city's Department of Industry and Trade affirmed that one year after the COVID-19 pandemic, local industries are back on track. Many sectors have reached positive growth.

The department informed that the city's total retail sales and services in the first nine months of 2022 reached 466 trillion VND (177 billion USD), up 21% over the same period a year ago.

During this period, international visitors hit 1.87 million, 16.4 times higher than the same period last year. About 70% of those visitors came from Asia.

Thanks to these positive signals, the property market has recovered.

Real-estate services firm Cushman & Wakefield said that the occupancy rate of the whole market reached

93%, and the total accumulated supply of shopping malls, department stores and commercial units reached 1 million sq.m. The average rental price is 48.3 USD per one sq.m each month, up 5.6% over the same period last year.

The building speed for new retail supply is still quite low. From 2017 to 2019, HCM City saw an average of 80,000 sq.m being supplied to the market every year; but in the past three years, there has been no new supply recorded.

However, future retail projects are on the rise, with approximately 140,000 sq.m of floor space currently under construction.

In its latest quarterly report, CBRE said that HCM City recorded improved vacancy rates in both CBD and non-CBD areas compared to the previous quarter.

According to CBRE, the occupancy rate in the third quarter in the central area reached nearly 93.8%, up 1.0 percentage points quarter-on-quarter.

Meanwhile, the vacancy rate of the non-CBD area of HCMC was 11.4%, down 1.2 percentage points quarter-on-quarter. However, compared to the same period last year, the vacancy rate recorded an upward trend of 4.3 percentage points year-on-year in the CBD.

Thanh Pham, associate director, research and consulting department at CBRE Vietnam, said, “the asking rent in the CBD area is still high with an upward momentum, especially in prime locations as foreign retailers are entering and expanding their businesses in the Vietnamese market. Vacancy rates tend to decrease slightly in non-CBD area as some brands shift towards non-CBD areas and shopping centers are changing the tenant’s category to match the shopping demand and brand expansion after COVID-19.”

CBRE reported positive growth in the number of leasing inquiries, especially those focusing on categories such as food and service (F&B), fashion & accessories, and lifestyle, which account for nearly 87% of the total number of requested inquiries.

The food and beverage (F&B) sector continues to rank first in the number of total leasing inquiries with a 26% quarter on quarter increase since the beginning of 2022.

In Q3/2022, in the central area of District 1, famous brands such as McLaren, Beverly Hills Polo Club, ViinRiic Galeries De Parfumes, Maestro, De Obelly and Sohee entered the market. In September 2022, Decathlon was also officially opened at Van Hanh Mall, District 10.

Thanh Pham said, “the asking price in the prime area of the city will continue to increase in the coming time. With the increasing interest of foreign retailers in the Vietnamese market, brands need to seize the opportunity for presence expansion.”

In addition, as rising inflation will have a negative impact on consumer spending, leading retailers are forecasted to face more pressure and their revenues might not be as high as expected.

Regarding future supply, HCM City is expected to receive one new mall by the end of this year with the 35,000 sq.m Thiso Shopping Center in Thu Duc city, and 144,000 sq.m in the period of 2023-2024.

4. Exports of Vietnam’s key items slump in September

Among the most affected were garments and textiles, whose exports in September dropped 31.9% over the previous month at US\$2.72 billion.

Millwork exports declined 21% against August at US\$1.11 billion while steel exports edged down 6.2% at US\$429 million.

Goods produced by foreign-invested businesses or with great export value are getting the same fate.

Exports of mobile phones and components brought in US\$5 billion, a drop of 18.1% over last month, while that of machinery and equipment plunged 7.7% at US\$4.15 billion.

According to the customs agency, the export value in September slid 14.6% over August and generated US\$29.82 billion.

Businesses attributed the situation to global economic uncertainties and runaway inflation, which has hit consumption. Things will not improve until the end of the first quarter of next year.

However, Vietnam maintained a high export value in the first nine months of this year. Exports rose by 17.2% to US\$282.35 billion, while imports rose by 12.8% to US\$275.58 billion, resulting in a trade surplus of US\$6.76 billion.

Customs data showed that Vietnam's total exports in the first three quarters of this year amounted to US\$557.93 billion, up 15% year-over-year.

5. Coffee exports this year may hit 4 billion USD

Vietnam has shipped nearly 1.5 million tonnes of coffee worth about 3.2 billion USD so far this year, with an average export price of 2,283 USD a tonne, up 21 percent year-on-year.

Analysts believe export turnover in the coffee industry will grow 30-40 percent this year as the world adapts to Covid-19, with demand substantial

while supply is declining. The export price may reach 2,400-2,600 USD a tonne, with momentum lasting into 2023.

Germany is the largest importer of Vietnamese coffee, with 12 percent of value, followed by Belgium and Italy.

6. Deputy PM checks public investment disbursement at tourism ministry

The deputy prime minister urged the ministry to speed up disbursement and remove obstacles impeding the progress, the local media reported.

The first phase of the renovation and upgrade project was approved in 2018 and got off the ground in 2019, with a total cost of VND92 billion.

Until now, the project is over 90% complete, while the disbursement has reached some 70% of the total required investment, according to the ministry.

The first phase of the project will be completed in late 2022.

The ministry attributed the slow disbursement of the project to the impact of the Covid pandemic but said that from late October onward, there would be no obstacles and difficulties facing the project. Work on the second phase of the project will begin in the 2026-2030 period.

As of October 24, the ministry had disbursed over VND290 billion of the total VND1.18 trillion allocated, reaching 17.7% of the target.

The ministry is set to disburse more than VND660 billion by the end of January next year, meeting over 55.7% of the target.

As its disbursement lagged behind schedule, the ministry plans to lower its target and transfer over VND496 billion of the public capital to other ministries.

Obstacles over site clearance, slower-than-expected investment procedures, changes in projects and exchange rate fluctuations have slowed down the public investment disbursement, said the ministry.

Deputy Prime Minister Dam asked the ministry to work closely with other ministries to eliminate these bottlenecks to accelerate work on its projects and ensure their quality.

7. Infrastructure, human resources development crucial for Vietnam: US official

In the first nine months of 2022, the country shipped nearly 1.39 million tonnes of fertiliser worth 886 million USD abroad, soaring 45.4% in volume and 166% in value from a year earlier, according to the General Department of Vietnam Customs.

The surge in revenue was attributed to rising global export prices, which averaged 637.7 USD per tonne in the period under review, up 83% from the same period of 2021. Last year, the country earned 559 million USD from exporting 1.35 million tonnes of fertiliser, respectively up 64% and 16.4%.

After nearly one year of strong fluctuations in the global market due to political and economic uncertainties, fertiliser prices have shot up, and many Vietnamese producers have grasped this chance to promote overseas shipments.

Export prices posted sharp growth due to the COVID-19 pandemic in 2020 and 2021, and especially since the beginning of 2022 as a result of the Russia - Ukraine conflict, Dau tu noted.

Beside, as domestic demand stands at about 11 million tonnes each year while factories in Vietnam are licenced to produce over 29 million tonnes annually, businesses have been working to seek markets and boost exports.

The rise in export volume since the start of this year has also been fueled by China's export reduction and Western countries' sanctions against Russia – a leading fertiliser exporter in the world, the newspaper pointed out.

Corporate News

8. HAH: BOD resolution dated October 24, 2022

↓ -6.77%

The Board resolution dated October 24, 2022, the BOD of Hai An Transport and Stevedoring Joint Stock Company approved the following contents:

1. Approved the result of stock issuance under ESOP:

- Time for subscription and payment: from October 04, 2022 to October 21, 2022
- Expected issue volume: 2,048,850 shares
- Registered and paid volume: 1,948,550 shares
- Remaining volume: 100,300 shares.

2. Approved the plan to distribute the unsold shares:

- Selling volume: 100,300 shares
- Selling price: VND10,000/share
- Payment time: October 27, 2022
- Payment form:
 - + Account holder: Hai An Transport and Stevedoring Joint Stock Company
 - + Account number: 0031000317662
 - + Bank: Vietcombank – Hai Phong branch.

9. DGC: BOD resolution dated Oct 24, 2022

↑ 2.74%

The Board resolution dated October 24, 2022, the BOD of Duc Giang Chemicals Group Joint Stock Company approved the following contents:

1. Approved the business result in Quarter 3/2022:

Unit: million dong

No.	Content	Parent company	Consolidation
1	Net sales	160,929	3,695,880
2	Profit before tax	41,567	1,596,007

2	Profit after tax	32,640	1,513,696
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2. Approved the business plan in Quarter 4/2022:

- Consolidated revenue: 3,299 billion dong
- Consolidated profit after tax: 1,100 billion dong.+ Shareholders whose shares have not been deposited: at Power Construction Joint Stock Company No 1.

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