



# VIETNAM DAILY NEWS



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## Market Analysis

### 1. Market reverses course, finishes the week on a positive note

Shares finished higher on Friday, also the last trading day of the third quarter, recouping some losses from the recent downtrend on stronger demand force in the afternoon trade, especially from foreign investors.

The market benchmark VN-Index on the Hồ Chí Minh Exchange (HoSE) rose 6.04 points, or 0.54 per cent, to close the week at 1,132.11 points. The recovery ended the long losing streak of five days.

However, the market's breadth was still in the negative zone as there were more stocks declining. Liquidity increased over the previous session, with a matching value on the southern bourse worth over VNĐ13 trillion (US\$546.3 million), up 42 per cent.

The index extended the downside in the morning trade with a fall of 17.34 points, but bargain-hunting demand got stronger in the afternoon session, lifting the market.

The VN30-Index, which tracks the 30 biggest stocks on HoSE, also posted a gain of 4.57 points, or 0.4 per cent, to 1,152.01 points.

Of the VN30 basket, 15 stocks advanced, while ten settled down. And five stayed flat.

Statistics from financial website vietstock.vn showed that large-cap stocks in attractive sectors including oil and gas, real estate, information technology and banking, continued to lead the market's rally.

Accordingly, PV Gas (GAS) was the biggest gainer on the last trading day of the week, up 4.76 per cent. The company's shares were supported by news that OPEC+, an alliance of the Organisation of the Petroleum Exporting Countries (OPEC) and allies led by Russia, may agree to cut oil output when it meets next week.

Supporting the uptrend, Becamex (BCM), FPT Corporation (FPT), Vietinbank (CTG), BIDV (BID), Đức Giang Chemicals (DGC) and Vincom Retail (VRE) also reported great performance. These stocks were up at least 1.2 per cent, while BCM shares even registered the biggest intraday gain of 7 per cent.

However, the recovery was limited by lingering selling pressure, with many big stocks still facing strong sell-offs such as Vietcombank (VCB), Eximbank (EIB), Hoà Phát Group (HPG) and Petrolimex (PLX), with EIB hitting the maximum daily loss of 7 per cent.

On the Hà Nội Stock Exchange (HNX), the HNX-Index also rebounded from last session's losses. It ended the day at 250.25 points, an increase of 0.84 points, or 0.34 per cent.

Rising cash inflows from foreign investors also provided some support for the market. They net bought a value of VNĐ189.9 billion shares on both main exchanges, of which they purchased VNĐ182.93 billion on HoSE and VNĐ6.87 billion on HNX.

## Macro & Policies

### 2. GDP growth to hit 8% this year in base-case scenario: Official

Vietnam's GDP growth will reach 8% this year in the base-case scenario, provided that there will be no upheavals in the market but favourable external factors for the economy during the remaining months of the year, according to Deputy Minister of Planning and Investment Tran Quoc Phuong.

It was one of the two GDP scenarios for 2022 announced by the Ministry of Planning and Investment (MPI) at a routine government press briefing on October 1.

In the worst-case scenario, the GDP will grow at 7.5%, provided that many challenges and uncertainties are expected in the fourth quarter of this year, Phuong told reporters.

Commenting on Vietnam's economic outlook for 2023, he said there will be both challenges and opportunities, but the former are likely to outweigh

the latter and be even tougher in the wake of inflationary pressure worldwide and gloomy global economic outlook.

He noted that global inflation, particularly in major economies as well as Vietnam's key partners, is unlikely to ease over the next one or two months but certainly will linger on in 2023.

The official also voiced concern over other threats to the Vietnamese economy, emphasising the ongoing Russia-Ukraine crisis and non-conventional risks like storms, flooding, and epidemics.

The MPI forecast the Vietnamese economy will expand around 6.5% in 2023 in a growth scenario submitted to the Government, he said.

The deputy minister also revealed that 46.7% of the total public investment has been disbursed so far this year.

### 3. First mid-cap ETF listed on HOSE

DCVFMVNMIDCAP ETF, an exchange-traded fund managed and operated by Dragon Capital Vietfund Management Joint Stock Company, listed six million units on the Ho Chi Minh Stock Exchange on September 29 under the code FUEDCMID at par.

The reference price on the first trading day was the NAV on September 28, VNĐ9,502.13.

DCVFMVNMIDCAP is the first ETF in Việt Nam that tracks mid-cap companies.

Speaking at the listing ceremony, Beat Schurch, CEO of Dragon Capital Vietnam, said, "After DCVFMVN30 ETF and DCVFMVN DIAMOND ETF, the introduction of DCVFMVNMIDCAP ETF provides investors with an additional opportunity to invest in the growing capital markets of Việt Nam.

"And for us, by launching this product that specifically focuses on the mid-cap segment, we deepen our commitment to the promising future of Việt Nam's economy and capital markets.

"In a Vietnamese folk tale, the carp turning into a dragon reflects resilience, bravery and a progressive spirit. Similarly, the mid-cap companies will one day overcome the challenges and rise to the dragon position on the market and contribute to the growth story of Việt Nam."

The DCVFMVNMIDCAP ETF is a portfolio swap fund with no operating time limit. The founding members of the fund include HCM City Securities Corporation (HSC), KIS Vietnam Securities Corporation (KIS), and Viet Capital Securities Joint Stock Company (VCSC).

The custodian bank is Standard Chartered Bank (Vietnam) Limited, the transfer agent is the Vietnam Securities Depository (VSD).

#### 4. Vietnam looks to upgrade int'l merchant fleet

Vietnam's maritime sector is striving to upgrade its international merchant fleet in order to reduce the country's dependency on foreign-owned vessels in export-import activities.

A report of the Vietnam Maritime Administration (VinaMarine) showed that along with an average annual growth of 12 percent of export-import turnover in the 2016-21, the cargo throughput of the country's seaports saw stable increase in the period. In the first seven months of this year, the throughput growth slowed down but still showed a year-on-year rise of 2 percent, reaching about 63 million tonnes.

The country's ports in recent years have been developed and are now able to accommodate the world's largest ships.

However, containers imported and exported to and from Vietnam are mainly handled by foreign shipping lines, especially on long-distance sea routes to developed countries such as Europe and the US.

The domestic fleet currently mainly operates on domestic and short international routes in Asia, VinaMarine Deputy Director General Hoang Hong Giang said.

The country has 10 container shipping companies owning 48 container vessels capable of carrying 39,520 TEUs and only 17 of them are able to sail on Asian waters. There is a lack of container ships and

large tonnage ships operating on international routes. Experts say the fleet's irrational structure with mostly low capacity ships is limiting its competitiveness.

Vietnam's merchant fleet ranks third among ASEAN nations and 28th in the world. A Vietnamese firm has invested in a 320,000-DWT oil tanker and over-1,000-DWT bunkers. The move serves as a foundation for the domestic fleet to move step by step in line with the global trend and optimise shipping costs.

VinaMarine has consulted the Ministry of Transport on a project on the development of Vietnam's international merchant fleet between 2022 and 2030, towards the goal of maintaining its foothold in the domestic market and gradually bolster its presence and competitiveness on the global market.

Deputy Minister of Transport Nguyen Xuan Sang underlined that the development of an international merchant fleet under the project requires efforts from relevant State management agencies, firms and associations.

About 1.5 billion USD will be needed to add more vessels to the fleet in the first phase of the project running until 2026.

It is also crucial to improve the quality of crew members and adopt incentives designated to support seafarers.

#### 5. Vietnam has “golden chance” to welcome new FDI wave

Vietnam has a “golden chance” to attract a new wave of foreign investment, especially to economic zones (EZs) and industrial parks (IPs), according to Deputy Minister of Planning and Investment Tran Quoc Phuong.

Annual foreign direct investment (FDI) poured into IPs and EZs is making up 35% - 40% of the total FDI capital inflows. The rate reaches even 70% - 80% in the processing and manufacturing industry,

according to the Ministry of Planning and Investment (MPI).

The MPI said Vietnam is currently home to 403 IPs, 18 coastal EZs, and 26 border gate EZs, which have become key magnets for domestic and foreign investments. Many of them are accommodating large foreign enterprises such as Samsung, Canon, LG, Sumitomo, Foxconn, and VSIP.

Explaining why Vietnam holds this chance to attract new investment, especially in IPs and EZs, experts and international organisations said at a recent forum that aside from political stability, the economy is bouncing back quickly after the COVID-19 pandemic, with one of the fastest growth rates in the region, ensured major balances, and curbed inflation.

Many free trade agreements have also been signed and taken effect, creating optimum conditions for international investment and trading activities. Besides, thanks to the State's attention to building infrastructure, especially expressways, and large businesses' engagement in the work, infrastructure conditions for industrial development nationwide have been improved considerably.

However, Nguyen Anh Tuan, editor-in-chief of *Nha dau tu* (Investor) magazine, also pointed out certain challenges to investment attraction to IPs and EZs, including complex administrative procedures, lengthy site clearance for new IPs, issues related to law and policy enforcement, especially investment incentives and tax refunding, the shortage of high-quality manpower, and housing and social welfare for workers in IPs and EZs.

Economists said to welcome more investment, IPs and EZs need not only good infrastructure and excellent services but also assistance for investors. To do that, they in turn also need support from the Government.

Favourable conditions provided for IPs by the Government will facilitate investors, and difficulties facing IPs could also directly or indirectly affect investors, experts noted.

Deputy Minister Phuong said as the advisory body for the State management of IPs and EZs, the MPI will work with other ministries, sectors, and localities to continue overhauling mechanisms and policies and assisting investors to create an increasingly transparent and favourable business environment in IPs and EZs.

## 6. Dung Quat refinery surpasses nine-month production target

The Dung Quat oil refinery produced about 5.18 million tonnes of petrol and oil during January - September, up 6% from the nine-month plan and equivalent to 80% of this year's target, its operator – Binh Son Refining and Petrochemical JSC (BSR) - said.

During the period, BSR sold more than 5 million tonnes of products, up 6% from the nine-month plan and equivalent to 78% of the target for 2022. It posted over 125 trillion VND (5.2 billion USD) in revenue and contributed nearly 14 trillion VND to the State budget.

BSR Director General Bui Ngoc Duong said in the year's first half, global oil prices surged due to impacts of the Russia - Ukraine conflict and fuel demand soared driven by the post-pandemic global economic recovery.

Therefore, crack margin was advantageous to BSR and helped the firm's revenue increase sharply, especially in the second quarter, he explained.

## 7. Hanoi remains bright spot in FDI attraction

Thanks to the development of a network of industrial parks and clusters as well as efforts to accompany investors, Hanoi has remained one of the bright spots of the country in foreign direct investment (FDI) attraction.

According to the municipal Department of Planning and Investment, so far this year, the city has attracted about 992.4 million USD in FDI, up 15% year on year, including 141.3 million USD invested in new projects.

The result helps the capital city remain among the top localities in FDI attraction.

Nguyen Ngoc Tu, Vice Director of the department, said that the FDI projects are mostly in the fields of import-export, goods distribution, construction, information technology, telecommunications, processing and manufacturing.

The majority of investment in the city is from Japan, the Republic of Korea and Singapore, while that from Europe and the US accounts for only 10% of total FDI capital, he said.

FDI projects have played an important role in promoting the city's economic development, serving as a driving force for its exports and technology renovation, the official added.

Particularly, the FDI sector has helped expand the export market and supported domestic firms to join the global supply chain through the supply of materials and business cooperation, Tu held, adding that FDI firms have also motivated domestic firms to renovate their technologies through the pressure from competition and requirements in adapting to the globalisation.

However, he also pointed to a number of shortcomings in the city's FDI quality and efficiency. FDI has still concentrated in a number of labour intensive sectors using low technology, while the scale of the majority of FDI projects is small. The efficiency of the projects has yet to match their capacity and advantages while FDI firms'

connections with other economic sector remains poor.

Tu said that in the future, the city will pay greater attention to holding dialogues with investors to remove difficulties and obstacles facing them, and prioritising projects with large investment.

According to experts, one of the reasons that make Hanoi attractive to investors is the development of its infrastructure system.

In the 2021-2025 period, the city plans to establish 2-5 new industrial parks, aiming to meet the demand of investment attraction and industrial production development.

By 2030, the city expects to have 159 industrial clusters with a total area of over 3,204 hectares. Along with the operating clusters, the city is speeding up the construction of new ones to meet investors' demands.

A representative from the city Department of Industry and Trade said that currently, Hanoi has 70 operating industrial clusters covering 1,686 hectares, attracting nearly 3,900 firms and more than 60,000 labourers.

Nguyen Manh Quyen, Vice Chairman of the city People's Committee, said that in the time to come, Hanoi will continue to apply administrative reform measures to speed up the construction of the technical infrastructure system for industrial parks and clusters, thus meeting the demand for production space for both domestic and foreign investors.

At the same time, the city aims to raise the number and quality of FDI projects by accompanying and supporting businesses and investors, and improving the business and investment environment and competitiveness, he said.

Quyen said that the municipal People's Committee has directed departments and sectors to enhance the quality and efficiency of FDI, strengthened investment promotion activities and actively



approached big businesses to lure projects that are suitable to the development level of the city.

Hanoi will also coordinate with the Ministry of Planning and Investment and the Prime Minister's

Task Force to ensure the coherence and efficiency of support to investors and investment attraction activities, and optimise advantages from free trade agreements, he said.

## Corporate News

### 8. GVR: GVR spends VND 1,640 billion to pay dividends in 2021

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Vietnam Rubber Industry Group - JSC ( HOSE : GVR ) announced the closing of the right to pay dividends in 2021 in cash. The ex-rights date is October 12.

Specifically, GVR will pay a cash dividend at the rate of 4.1% (corresponding to 1 share, you will receive VND 410). Expected payment date is October 27.

With 4 billion shares outstanding, it is estimated that GVR needs to spend VND 1,640 billion to pay dividends in 2021 to shareholders.

In terms of business activities, accumulated in the first 6 months, GVR recorded net revenue of VND 10,455 billion, slightly down compared to the same period last year; Profit after tax for shareholders of the parent company is 2,072 billion VND, up 27%.

At a meeting with representatives of the State Capital Management Committee on September 16,

GVR 's Board of Directors announced the estimated business results for the first 9 months of the year with consolidated revenue and profit reaching VND 18,397 billion, respectively. and VND 4,408 billion, up 2% and 4% over the same period. In which, parent company's revenue is 1,927 billion dong, parent company's profit is 876 billion dong, up 1% and 2% respectively.

In 2022, GVR plans to achieve consolidated revenue and profit after tax of VND 29,707 billion and VND 5,340 billion, respectively, up nearly 5% and similar to the previous year. After 9 months, the Group achieved 62% and 83% of revenue and profit targets for the whole year.

On the parent company's side, the revenue target is VND 4,460 billion, up 12.4%; after-tax profit is 2,300 billion dong, down 1.4% compared to the previous year's result. The dividend rate in 2022 is expected to be 5% in cash.

### 9. VIC: Vinfast mobilized nearly VND 9 trillion in bonds in the first 9 months of the year

↑ +0.73%

According to a recent announcement, Vinfast Manufacturing and Trading Joint Stock Company (Vinfast), a subsidiary of VINGROUP ( HOSE : VIC ) has successfully raised VND 300 billion through bond issuance.

Specifically, Vinfast has issued 3,000 bonds with par value of 100 million VND/bond in the domestic market.

The bond will have a term of 36 months from the date of issue. With the issuance date of September 26, 2022, this bond batch of Vinfast will mature on September 26, 2025.

Vinfast is allowed to buy back part or all of the outstanding bonds by sending a notice of offer to buy with the same terms and conditions to the bondholder at least 15 working days before the date of redemption.

In addition to the newly issued bond batch in September, from the end of 2021 until now, Vinfast has had 6 bond issuances with similar redemption terms. In total, in the last 7 bond issuances, Vinfast has raised an amount of VND 8,800 billion.



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