



VIETNAM DAILY NEWS



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Market Analysis

1. Shares tumble, VN-Index falls below 1,100 points

Stocks stumbled on Monday with the VN-Index falling below the 1,100 point mark as investors' optimism petered out amid strong selling forces.

The market benchmark VN-Index on the Hồ Chí Minh Exchange (HoSE) lost 4.03 per cent, to close at 1,086.44 points.

The southern market index had dropped 5.9 per cent last week.

The market's breadth was in the negative zone as there were 449 decliners and only 49 gainers. More than 554 million shares were traded on the southern bourse, worth over VNĐ11.5 trillion (US\$481.2 million).

The VN30-Index, which tracks the 30 biggest stocks on HoSE, also posted a loss of 4.34 per cent, to end at 1,102.00 points.

Of the VN30 basket, one stock advanced, while 29 settled down.

The banking stock group saw a series of decliners, with the largest market-cap Vietcombank (VCB) losing 3.6 per cent. Other banks like Vietinbank (CTG), Bank for Investment and Development of Việt Nam (BID), Sacombank (STB) and Techcombank (TCB) all hit the daily limit decline of 7 per cent.

Other notable stocks depressing indices include Masan Group (MSN), Vietnam Dairy Products

(VNM), and Mobile World Investment (MWG) and PetroVietnam Gas (GAS).

The market was weighed on predominantly by insurance firms. In the sector, Bảo Việt Holdings (BVH) lost 7 per cent, PVI Holdings (PVI) 8.9 per cent and Military Insurance (MIG) 7 per cent.

Securities was the next sector contributing to the market slump. Notably, VNDirect (VND) contracted 6.9 per cent in market-cap and SSI Securities (SSI) followed suit with a fall of 6.8 per cent.

In the realty sector, the trio stocks of the Vin family - Vingroup (VIC), Vincom (VRE) and Vinhomes (VHM) - saw mixed performances. The first gained 0.9 per cent, the second lost 6.8 per cent whereas the last fell 0.6 per cent.

On a sector basis, all 25 sector indices on the stock market lost ground, including insurance, oil and gas, banking, wholesale, construction, rubber production, IT and logistics, agriculture, real estate, food and beverage, retail, healthcare, seafood production, construction materials, securities, and plastic and chemical production.

The HNX-Index on the Hà Nội Stock Exchange (HNX) lost 4.83 per cent to end at 238.17 points.

The index had plummeted 5.4 per cent last week.

More than 60 million shares were traded on the northern exchange, worth VNĐ1 trillion.

Macro & Policies

2. Rising public investment to lift various stocks

Public investment is expected to soar in the last months of 2022, giving a big push to various sub-industries.

Based on the regular pattern of public disbursement, which moves slowly in early year but much faster later, KB Securities Vietnam JSC (KBSV) has forecast higher public spending for Q4.

In fact, recent governmental moves have borne out the forecast.

The Ministry of Transport gave the go-ahead to 12 sub-projects in the North-South Expressway Project, second phase, in mid-July. All sub-projects in landing areas of the Long Thành International Airport Project were planned to begin construction in December.

Three decrees were issued and six working groups were dispatched to speed up the process.

The Government's Resolution No 124 promulgated in mid-September stipulates that public disbursement reach around 95 to 100 per cent of the target set by the Prime Minister. Of which, at least 50 per cent of the Socio-Economic Recovery and Development Programme must be delivered in 2022.

KBSV projected public investment to accelerate and reach around 90 to 95 per cent of the target this year, equivalent to roughly VNĐ200 trillion (US\$8.4 billion) spent in the last four months.

KBSV said the rising public expenditure is expected to give a major boost to the steel sub-industry as higher construction demand drives steel consumption.

The same goes for the stone sub-industry. Major beneficiaries include Hóa An JSC (HOSE: DHA) and Biên Hòa Building Materials Production and Construction JSC, which own Tân Cang and Thiện Tân quarries.

Cement is the next sub-industry to benefit from higher public spending. However, the boost from the public sector would be of minor effect as it is absorbed by the supply-demand imbalance in the sub-industry.

Specifically, cement producers oversupply about 50 million tonnes annually and the figures are expected to climb to 58 million tonnes by 2023. For investors, it is advisable to monitor HT1 stock (VICEM Ha Tien Cement JSC) and BCC stock (VICEM Bim Sơn Cement JSC).

The situation is much better for the plastic pipe sub-industry thanks to the fiscal stimulus and the falling prices of PVC, an input material. Tiền Phong Plastic JSC (HNX: NTP) is expected to be the largest beneficiary as it operates in an economic zone targeted by public investments.

Higher public spending would be equally beneficial to bitumen sub-industry but the benefit is believed to come late as bitumen surfacing only begins in the last phase of the projects.

PLC (Petrolimex Petrochemical JSC) is a stock worth monitoring in the sub-industry since the company holds roughly 30 per cent of the market shares. The company produces around 350,000 tonnes of bitumen annually, outpacing all rivals.

Construction firms, undoubtedly, would find themselves at an advantage amid higher delivery of public money on construction projects. Stocks to monitor include HHV (Deo Ca Traffic Infrastructure Investment JSC), C4G (CIENCO4 Group JSC), and VCG (Vietnam Construction and Import-Export JSC).

Notably, CIENCO4 is one of the largest traffic infrastructure builders in the country, engaging in big projects including Mai Sơn- Highway 45 Expressway, Vĩnh Tuy 2 Bridge, Vĩnh Hảo-Phan Thiết Expressway and Phan Thiết-Dầu Giây Expressway.

The faster implementation of the North-South Expressway Project, second phase, is expected to

drive the smart-traffic sub-industry forwards. It is advisable to monitor ITD (Tien Phong Technology JSC) and ELC (Elcom Technology Communications Corp.).

In the bullish electrical construction sub-industry, REE (Refrigeration Electrical Engineering Corp) is worth monitoring as the company is a prime

candidate for the Long Thành International Airport Project.

Realty firms and logistics firms located in areas adjacent to the projects are believed to benefit indirectly from the fiscal expansion. However, the extent of the benefits depends on various factors, leaving some room for uncertainty.

3. 2.97 billion USD in FDI poured into HCM City in 9 months

Ho Chi Minh City attracted 2.97 billion USD in foreign direct investment (FDI) this year to September 20, a year-on-year increase of 26.1%, according to the municipal Department of Planning and Investment.

Of the amount, 348 million USD was poured into 567 new projects, down 7.6 percent in value compared to the same period last year.

Singapore was the biggest investor in the southern hub with 97 new projects totaling 121.8 million USD, accounting for 35% of the total newly-registered capital. It was followed by Japan and the Republic of

Korea with 60 and 81 projects worth 60.2 million USD and 47.1 million USD, respectively.

Meanwhile, nearly 1.49 billion USD was added to 114 existing projects, 2.5 times higher than the same period last year.

Besides, there were 1,797 approved transactions of capital contribution and share purchases by foreign investors in the period with a total value reaching nearly 1.13 billion USD, down 16.2% year-on-year.

The number of valid FDI projects in the city at present is 11,007 with total registered capital of 55.45 billion USD.

4. FDI poured into real estate sector doubles

Real estate sector attracted 3.5 billion USD in foreign direct investment (FDI) the first nine months of this year, accounting for nearly 19% of total FDI that the country lured in the period, coming second among sectors in terms of FDI attraction.

According to Foreign Investment Agency under the Ministry of Planning and Investment (MPI), as of September 20, registered FDI totalled 18.7 billion USD, down 15.3% year on year.

The figure includes 7.12 billion USD poured into 1,355 new projects, respectively falling 43% and rising 11.8%. More than 8.3 billion USD was poured into 769 existing projects, up 29.9% and 13.4%, respectively. Meanwhile, foreign investors spent over 3.28 billion USD on purchasing shares in Vietnamese companies, up 1.9%.

Experts from real estate firm Savills Vietnam held that along with the country's economic growth, the real estate sector has eyed great development opportunities.

According to Savills Vietnam, some factors have positively impacted on the country's industry, such as the early application of policy to open the border that has created favourable conditions for foreign firms to work in Vietnam, and great advantages from free trade agreement, especially the EU-Vietnam FTA, making it more attractive to foreign enterprises.

Savills Vietnam also pointed to other factors that make Vietnam a safe investment destination for investors, including the stability in VND/USD exchange rate.

Statistics from Savills Vietnam showed that in September, the supply of industrial real estate in Hanoi and Ho Chi Minh City were almost completely filled. With the advantages in infrastructure and transport, industrial real estate in the two biggest cities of Vietnam are more competitive.

Savills Vietnam also noted that the Vietnamese Government has given directions for the development of the sector and added more real estate supply across the country.

In the first half of 2022, the construction of nine new industrial parks were approved and they are scheduled to be put into operation in the 2023-2025 period with total area of 2,472 hectares and total investment of 29.4 trillion VND. In Hanoi alone, 2-5 industrial parks have been approved to be built in the 2021-2025 period in outskirt districts.

However, Deputy Minister of Planning and Investment Nguyen Thi Bich Ngoc said that in order to attract more investment in the sector, it is necessary to deal with problems in ground clearance and land rent.

5. Petrol prices down to lowest levels in a year

Retail prices of oil and petrol dropped from 3pm on October 3 following the latest adjustment by the Ministry of Industry and Trade, and the Ministry of Finance.

Accordingly, the ceiling retail price of RON95 bio-fuel decreased by VNĐ1,140 to VNĐ21,440 (US\$0.9) per litre, and that of E5 RON92 slipped by VNĐ1,050 to VNĐ20,730 per litre, bringing the level down to that seen in September 2021.

The prices of oils also saw cuts, with that of diesel oil cut by VNĐ330 to VNĐ22,200 per litre, and that of

kerosene down by VNĐ760 to VNĐ21,680 per litre. Mazut oil was priced at VNĐ14,909 per kg, a decrease of VNĐ560.

The two ministries also determined to extract VNĐ451-600 per litre from petrol price for the petrol price stabilisation fund.

So far this year, petrol prices have been adjusted 26 times with 13 revisions up and 12 revisions down and one kept unchanged. The petrol prices are now at the lowest level this year.

6. Export value of aquatic products up 38% in nine months

The export turnover of aquatic products topped 8.5 billion USD in the first nine months of 2022, up 38% year-on-year, according to the Vietnam Association of Seafood Exporters and Producers (VASEP).

In September alone, the export value is estimated at over 850 million USD. Although it is still 36% higher than the same period last year, this is the first time after seven months the exports fall to below 900 million USD.

Le Hang, deputy director of the VASEP's Trade Promotion and Training Centre, said that inflation

has reduced the import demand of foreign markets, including Vietnam's main importers.

In the first nine months, the export values of shrimp, tra fish and seafood reached nearly 3.4 billion USD, 2 billion USD, and 3.2 billion USD, up 23%, 82% and 33%, respectively. In September, tra fish exports posted the highest growth rate at 97% to 161 million USD.

The country's export of aquatic products to China hit 153 million USD last month, up 97% y-o-y, but down 1.4% compared to that of July.

Meanwhile, earnings from the US decreased by 11% y-o-y to 140 million USD.

In January-September, the US remained the largest importer of Vietnamese aquatic products, with nearly 1.8 billion USD, up 22% y-o-y.

The VASEP forecast that by the end of November, the sector can fulfil the yearly target of earning 10 billion USD from aquatic exports.

7. Vietnam's first monkeypox case is woman returning from Dubai

A 35-year-old woman has become Vietnam's patient zero of monkeypox after returning to HCMC from Dubai, the health ministry said Monday.

The woman, unnamed, displayed symptoms like fatigue, chills, muscle aches, headaches and coughing, as well as rashes on several body parts from September 18 while she was traveling in Dubai. She is being treated at the Ho Chi Minh City Hospital for Tropical Diseases and her health is stable.

She returned to HCMC on September 22 and the next day, she went to the Tu Du, an ob-gyn hospital, for a diagnosis, where she was suspected to be harboring an infectious disease. She was then transferred to the HCMC Hospital of Dermatology and Venereology, where she was suspected to be infected with monkeypox. She was isolated here and her testing samples were sent to the HCMC Hospital for Tropical Diseases and the Pasteur Institute for analysis.

Her result came back positive on September 25, so she was transferred to the HCMC Hospital for Tropical Diseases for treatment and for the viral genome to be sequenced.

The woman is Vietnam's first confirmed monkeypox case, according to the Ministry of Health. All of her close contacts ever since she returned to Vietnam are being monitored.

The health ministry has formed teams to fight monkeypox in several localities, while recommending monitoring measures at border gates, medical facilities and public events.

As of Monday, over 68,000 monkeypox cases have been confirmed in 106 countries and territories around the world. 25 deaths have been recorded.

Corporate News

8. FMC: FMC revenue reached nearly 182 million USD after 9 months

↓ -6.96%

In the first 9 months of 2022, Sao Ta Food Joint Stock Company (HOSE : FMC) recorded total sales of 181.7 million USD , up 17.5% over the same period in 2021.

Specifically, FMC recorded processed shrimp output of 16,068 tons, down 1.5% over the same period in 2021. Finished shrimp consumed 14,543 tons, up 7.8%. Finished agricultural products 1,642 tons, up 96% and agricultural products consumed 1,450 tons, up 17.5%.

As a result, the total sales in the first 9 months of the year reached 181.7 million USD (about 4,341 billion VND), achieving 79% of the year plan. Before that, FMC 's eight-month general sales reached 161.9 million USD (about 3,807 billion VND), up 21.8% over the same period and reaching 70.4% of the year plan.

In 2022, FMC plans to collect USD 230 million in general sales, up 11.3% compared to 2021 and estimated pre-tax profit of at least VND 320 billion, up 10.7%. The company aims to process 25,000 tons and consume 20,000 tons of shrimp. Agricultural products processing and consumption were flat with 2,200 tons.

Compared with the year plan, FMC has implemented 64% of the output of processed shrimp products; 72% of finished shrimp

consumption and 74% of processed agricultural products.

In September, the company said that although sales were not as high as the previous year, they still made good profits because they used self-raised shrimp for processing with low prices.

FMC shared that in September, shrimp farming was conducted to be trimmed and harvested for processing. In general, shrimp growth is not equal to the favorable season, but compared to the general level, it is much better and profitable. In addition, the Company is also renovating a new area of 203 hectares so that it can be stocked in the second quarter of 2023.

Regarding construction, the Company is trying to complete the new factory, there is a slight delay due to the slow delivery of foreign equipment and machinery suppliers because of the lack of production materials and the delay in transportation. However, this does not cause pressure because raw material output is currently only moderate.

Assessing the business situation from now until the end of the year, FMC said that due to the influence of global inflation, consumption is not high. Since then, sales did not increase sharply in the last months of the year, but still achieved the sales and profit plan.

9. HTI: HTI estimated 9 months profit before tax is nearly VND 52 billion

↑ +0.31%

IDICO Infrastructure Development Investment Joint Stock Company (HOSE : HTI) has just announced its estimated business results for the third quarter of 2022 with a pre-tax profit of VND 17.2 billion, while the same period last year

reported a pre-tax loss of more than VND 16 billion.

Specifically, the third quarter's revenue reached nearly VND 105 billion, more than 5.5 times higher than the same period last year. In which,

revenue mainly comes from traffic tolls, reaching more than VND 104.5 billion.

As a result, the Company recorded a pre-tax profit of more than VND 17.2 billion in the third quarter, while in the same period reported a loss before tax of more than VND 16 billion. Notably, this is also the first quarter that the business reported a loss after more than ten years of listing.

In the first 9 months of the year, HTI recorded nearly VND 400 billion in revenue, more than VND 309 billion in traffic toll revenue and more than VND 51.6 billion in pre-tax profit.

At the same time, HTI also announced its investment business plan in the fourth quarter of 2022 with realized revenue of VND 99.5 billion, especially revenue from traffic tolls is expected to be more than VND 97.7 billion. Profit before tax is expected to reach VND 17 billion.

On the same day, the Board of Directors of HTI approved the plan to advance the 2022 dividend

in cash at the rate of 10% (corresponding to owning 1 share, receiving VND 1,000). The ex-rights date is December 15, 2022. Payment date is 16/01/2023.

With nearly 25 million shares outstanding, it is estimated that HTI needs to spend about VND 25 billion to pay dividends to shareholders. In which, IDICO Corporation - JSC (IDC code) is the parent company, owns 57.5% capital in HTI , will receive more than VND 14.3 billion for this dividend payment.

Previously, HTI announced the BOD's resolution on the payment of dividends in 2021 in cash at the rate of 18% (owning 1 share will receive VND 1,800). The ex-rights date is September 19. Estimated time of payment from September 30.

At the end of the session on September 30, HTI stock was at 16,350 VND/share.

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