



# VIETNAM DAILY NEWS



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## Market Analysis

### 1. VN-Index bounces back from two-year low

The benchmark VN-Index on Wednesday regained the 1,100-point landmark after falling to a two-year low, but low liquidity may threaten the market recovery in the next sessions.

On the Ho Chi Minh Stock Exchange, the VN-Index jumped 2.42 per cent to close at 1,104.26 points. The southern bourse's index lost nearly 5 per cent in the previous two sessions.

On the Ha Noi Stock Exchange, the HNX-Index also leapt 2.76 per cent to end at 242.12 points. The northern market's index had lost nearly 6 per cent in the past two days.

According to analysts, today's strong gains have partly relieved investors' anxiety after a series of deep declining sessions.

Blue chips again led the market upturn.

Twenty-seven out of the VN30 basket, which tracks the top 30 shares by market value and liquidity on the HCM City's bourse, gained value, of which Vin shares contributed most to the VN-Index's growth. Vinhomes (VHM) jumped 6.3 per cent while Vingroup (VIC) rose 5.3 per cent and Vincom Retail increased 1.1 per cent.

Banking shares also recovered strongly. Only Asia Commercial Bank (ACB) sank in the red and two –

Ho Chi Minh Development Bank (HDB) and Saigon Bank (SGB) closed flat, another 25 lenders posted growth, of which Eximbank (EIB) hit the daily trading day limit of 7 per cent, Vietinbank (CTG) up 6 per cent; BIDV (BID), Military Bank (MBB) and Sacombank (STB) each were up by over 2 per cent.

Liquidity declined, however, as just 505 million shares worth VND10.4 trillion (US\$824.5 million) were traded on both exchanges, down 21 per cent in volume and 14 per cent in value. However, market analysts have attributed such a decline to lower selling pressure as investors now do not rush to sell shares at a very low price.

According to Viet Dragon Securities Co (VDSC), although the market rebounded from the support area of 1,080 points of the VN-Index and 1,100 points of the VN30-Index, the weakening movement from the previous sessions continued to weigh on the market, and the supply pressure still influenced the market, while the supportive cash flow stayed conservative.

"It is predicted the market still faces many difficulties. Therefore, investors still need to be cautious, keep the portfolio safe, and wait for the following supportive action in cash flow," Phuong Pham, VDSC's analyst, wrote in a note.

## Macro & Policies

### 2. Deposit interest rates continue to rise

Viet Capital Bank has unveiled a certificate of deposit for individual and institutional customers with an interest rate of up to 8.4 per cent depending on the tenor.

Customers can buy CoDs for just VNĐ10 million (US\$417) and receive interest of 7.5 per cent, 7.8 per cent, 8 per cent, and 8.2 per cent for terms of six, nine, 12, and 15 months.

For 18-month term they can get 8.4 per cent.

After six months they can freely transfer the CoDs and still enjoy higher interest rates than ordinary savings deposits, a bank spokesperson said.

After the State Bank of Việt Nam raised its policy rate, many banks, including State-owned ones, have raised interest rates for đồng deposits.

ABBANK has the highest rate of 8.8 per cent for 13-month deposits of VNĐ500 billion (\$20.8 million) and above.

Banks are also offering promotions to attract deposits.

For instance, from October 3 to December 30, customers who make deposits of VNĐ25 million (\$1,040) and above at Vietbank can receive gifts such as multi-function electric cooker, steam iron,

vacuum cleaner, umbrella, kitchen cutting board, and others depending on the amount and term.

They can also participate in a lucky pin on the Vietbank digital app with prizes of thousands of e-vouchers worth from VNĐ20,000 to VNĐ1 million, and a lucky draw at the end of the programme with prizes worth a total of VNĐ6.5 billion, including a cash prize of VNĐ1 billion, nine first prizes of 0.6 tael of gold each and 18 second prizes of VNĐ20 million each.

As of September 20 this year deposit mobilisation by credit institutions increased by 4.04 per cent while credit growth was 10.54 per cent.

The rapid increase in credit has put pressure on banks' liquidity.

ACB Securities said the credit cap would be increased by 2 per cent in the last quarter, while the SBV would continue to sell US dollars to keep the exchange rate in check, which would also put pressure on đồng liquidity.

Public spending is expected to spurt in the remaining months of the year, meaning the money held by the State Treasury in banks will be drawn.

Due to these factors, ACBS said, banks would probably increase deposit interest rates by another 0.5 percentage points this year to ensure liquidity.

### 3. Việt Nam to impose temporary anti-dumping duties on Chinese tables, chairs

Việt Nam will impose temporary anti-dumping duties on some table and chair products from China, the Vietnamese Ministry of Industry and Trade has said.

In newly-issued Decision No. 1991/QĐ-BCT, the ministry said the anti-dumping tariffs imposed on Chinese products would range from 21.4 per cent and 35.2 per cent.

According to the ministry, the investigated table and chair imports from China have increased significantly compared to domestic consumption and production, causing damage to domestic production.

The decision also mentioned table and chair products from Malaysia, which are exempted from temporary anti-dumping duties as the volume of

investigated imports is not big enough (below 3 per cent).

#### 4. Seafood exports to US surge 22% in 9 months

Vietnam's seafood exports to the U.S. rose 22% year-on-year to \$1.8 billion in the first nine months as Americans remain the biggest buyers of Vietnamese seafood.

Exports to China surged 76% to \$1.35 billion, while to the EU the value went up 41% to \$1 billion, according to the Vietnam Association of Seafood Exporters and Producers (VASEP).

In total Vietnam's seafood exports reached \$8.5 billion in the first nine months, up 38% year-on-year.

Shrimp exports rose 23% to nearly \$3.4 billion, and pangasius fish went up 82% to \$2 billion.

Exports of pangasius fish in September alone nearly doubled year-on-year as inflation pressure urged consumers to tighten their spending and buy more of the affordable protein.

VASEP forecast that Vietnam's \$10 billion exports target for this year will be achievable.

China is expected to be a key market for the remaining months as consumption demand is rising while its geographical proximity with Vietnam is an advantage amid rising transportation costs worldwide.

#### 5. Ministry raises concern over funding for Dung Quat refinery upgrade

The Ministry of Industry and Trade is concerned about the ability of Dung Quat Refinery operator Binh Son Refining and Petrochemical to mobilize capital for its expansion plan due to low accumulated profit.

The company recorded an accumulated profit of over VND345 billion (\$14.45 million) between 2018 and 2020 after it became a joint stock company. According to the company's plan approved in 2014, this sum was to be attributed to shareholder equity and used for the expansion plan.

But it only accounted for 2.7% of the company's plan to have over \$500 million in shareholders' equity, and this means the company could face challenges in raising the rest of the sum, the ministry said.

BSR therefore needs to work with financial organizations to ensure it could acquire more loans, it added.

The over \$500 million sum accounts for 40% of BSR's total plan to invest nearly \$1.26 billion in upgrading the plant, with the remaining 60% coming from loans.

A company spokesperson, however, said that securing \$500 million toward shareholder equity is not a big concern and that it could achieve this goal in this or next year.

BSR posted a profit of over VND6.02 trillion last year, the highest since becoming a joint stock company.

In the first six months, it posted a profit of VND12.4 trillion, the highest ever.

The company has also been working with financial organizations for the remaining 60% and the situation is "very optimistic," he said.

With the trade ministry concerned over the possible challenges in buying crude oil from Russia amid this

country's tension with Ukraine, BSR said it has made plans to source oil from other suppliers should the crisis prolong.

The company, however, cannot reveal details about this plan for now, the spokesperson added.

BSR had earlier proposed it would be eligible for tax incentives, more credit and loan guarantees in its expansion plan to increase production capacity by 16% from the current figure to 171,000 barrels a day.

## 6. Vietnamese fleet to handle a fifth of exports by 2030: transport ministry

Việt Nam has set an objective to build up its merchant fleet to handle as much as 20 per cent of the country's exports by the year 2030, according to deputy minister of transport Nguyễn Xuân Sang.

He said the main goals included the development of a modern fleet, improvement of efficiency and quality and greater integration into the international market.

The short-term focus was to build up a fleet of container ships for the Asia-Pacific region, with an objective to gain operational experience and set the foundation for long-distance routes in the future.

In addition, the Vietnamese maritime authorities could use the experience to improve their management capacity, legal framework, implementation of science and technology and administrative procedures to better support economic enterprises.

He said Việt Nam was to increase collaboration with countries around the world and enter into international maritime treaties, especially a speedy conclusion to maritime transport agreements with neighbouring partners including China, Cambodia and Thailand.

Earlier, the ministry mentioned several tax cuts for container ships with a capacity of 1,500 TEU or greater, ships fuelled by green energy and ships specialised in the transport of LNG. Crew members

who operate on domestic routes may also be eligible for income tax exemptions.

Sang said the country had been and would stay committed to the development of Vietnamese shipping companies. He urged Vietnamese companies to form alliances, pool resources and build up their expertise to reach farther destinations such as Europe and America.

In addition, Việt Nam would stay on course with its transition to green energy in maritime transport in accordance with a roadmap set out and agreed upon during the 2021 United Nations Climate Change Conference (COP26).

A report by the Vietnam Maritime Administration (VinaMarine) shows that along with an average annual growth of 12 per cent of export-import turnover in 2016-21, the cargo throughput of the country's seaports saw a 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 per cent, 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. The country's merchant fleet ranks third among ASEAN nations and 28th in the world.

## 7. HCM City’s production, trade maintain growth in Q3

Production and trade activities in the manufacturing and processing sector in Ho Chi Minh City remained stable in the third quarter this year, according to the municipal Department of Industry and Trade.

The department’s survey showed that 32.6% of the local enterprises saw better performance in the period, 34.7% remained stable, and 32.7% still met difficulties compared to the previous quarter.

About outlook in the fourth quarter, 41.5% of respondents expressed their optimism, 36.3% expected stability, while 22.2% foresaw more challenges.

Up to 88.9% of the State-owned enterprises were upbeat about their operation in the fourth quarter. This rate in non-State and foreign-invested sectors were 78.7% and 72.7%, respectively.

Several enterprises pointed out positive signals in markets and drop in fuel prices recently which enabled them to effectively cash in on promising customers and reform governance.

According to statistics, the city’s industrial production index in September rose by 1% month-on-month and 89.6% year-on-year.

In the period, the figure surged by 19.6% year-on-year.

## Corporate News

### 8. YEG: Yeah1 set to transfer 85% stake in YAG Entertainment

↑ +2.23%

Yeah1 is expected to transfer the amount of shares this month, the local media reported.

If the deal is done, YAG Entertainment will no longer be Yeah1's subsidiary.

As of June 30 this year, Yeah1 was holding a 99.7% stake in YAG Entertainment, which is headquartered in HCMC and operates in marketing.

YAG Entertainment was established on July 18, 2018, with Luu Anh Khoa being the legal representative.

Yeah1 in the first half of this year saw its revenue tumbling nearly 77% year-on-year at over VND139 billion. Its after-tax profit in the six-month period reached VND8.09 billion, compared to its losses of VND196.77 billion in the year-ago period.

Yeah1 looks to earn VND588 billion in revenue and VND24.7 billion in after-tax profit in 2022.

Closing the trading session today, October 5, YEG increased 2.23% against the previous session at VND18,300.

The local stock market made a rebound today.

The benchmark VN-Index of the HCMC market added 26.12 points, or 2.42%, over the session earlier at 1,104.26, with winners outnumbering losers by 392 to 85.

Trade on the southern bourse slid 21% in volume and 20.6% in value at 452 million shares and more than VND9.4 trillion. Shares traded in block deals contributed over VND1.4 trillion to the total value.

Many stocks in the banking, securities, real estate, and construction sectors hit their upper limits, such as EIB, VCI, SCR and CII.

Steelmaker HPG was the most actively traded stock on the southern bourse. It closed higher by 1.9%, with over 25.3 million shares changing hands.

Trading on the northern bourse also turned upbeat. With 152 advancers and 55 decliners, the HNX-Index improved 6.51 points, or 2.76%, compared to yesterday at 242.12.

### 9. HDC: HDC is about to implement a bond issuance plan

↑ +6.88%

The Board of Directors of Ba Ria - Vung Tau Housing Development Joint Stock Company (HOSE : HDC ) has just approved the private placement of bonds in 2022. However, the Company did not disclose the details of the specific issuance plan.

HDC authorizes Mr. Doan Huu Thuan, Chairman of the Board of Directors and/or Mr. Le Viet Lien -

General Director of the Company to carry out relevant procedures.

Previously, at the Annual General Meeting of Shareholders held in early April 2022, the Company approved a plan to issue a maximum of VND 1,000 billion of bonds to serve production and business activities.



On September 30, HDC Board of Directors approved the transfer of more than 11.4 million shares at Ocean Vung Tau Entertainment Construction Investment Joint Stock Company, equivalent to more than 55% of charter capital. Information about the transfer value and the buyer has not been announced by the Company.

After signing the share transfer contract, HDC and its partner will jointly implement the Ocean resort project on the principle of promoting the

strengths of the parties to soon put it into operation and exploitation.

In June 2019, HDC received the transfer of Ocean resort project in the form of transferring 100% of shares of Ocean Vung Tau Entertainment Construction Investment Joint Stock Company. The project has an area of about 19.5 hectares, located in Chi Linh - Cua Lap area, ward 11, Vung Tau city, with a total investment of 3,350 billion VND.



**Research Team:**            **Tsugami Shoji**    *Researcher*            [jsi@japan-sec.vn](mailto:jsi@japan-sec.vn)

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***Japan Securities Co., Ltd – JSI***

*Address: 14F, TNR Tower, 54A Nguyen Chi Thanh, Lang Thuong, Dong Da, Hanoi*

*Tel: (024) 3791 1818*

*Fax: (024) 3791 5805*

*Email: [info@japan-sec.vn](mailto:info@japan-sec.vn)*

*Website: [www.japan-sec.vn](http://www.japan-sec.vn)*