



VIETNAM DAILY NEWS



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Market Analysis

1. Shares extend gains, bolstered by bank and energy sectors

Vietnamese shares rose on Wednesday, propped up by a slew of banking stocks.

On the Ho Chi Minh Stock Exchange (HoSE), the VN-Index increased 0.40 per cent, to 985.59 points.

The benchmark had closed Tuesday at 981.65 points, a 0.66 per cent increase.

More than 583 million shares were traded on the southern bourse, equivalent to VND10.4 trillion (US\$418.2 million).

Market breadth was positive with 178 losers and 245 gainers.

Banking stocks were darlings of the market with gainers including Military Bank (MBB), Techcombank (TCB), Bank for Investment and Development of Viet Nam (BID), VietinBank (CTG), Viet Nam International Commercial JS Bank (VIB), Saigon-Hanoi Commercial JS Bank (SHB), Tien Phong Bank (TPB) and Vietcombank (VCB).

The 30 biggest stock tracker VN30-Index decreased 0.04 per cent, to end at 979.68 points.

“Although cash flow tends to catch low prices and support the market's recovery, in general, selling pressure was still quite overweighed in many stocks. At the same time, the demand for high prices is still cautious. Market support is not yet clear and it's likely that the market will fluctuate in the next trading session to test supply and demand, especially in the group of stocks that are suffering the great selling pressure,” said Viet Dragon Securities Co.

“Therefore, investors still need to closely observe the movement of cash flow and temporarily limit chasing. If the supporting cash flow continues to increase and absorb the current large selling pressure, then we can consider buying and accumulating stocks with good fundamentals and deep discounts.”

Gainers in the VN-30 group were FPT Corporation (FPT), Masan Group (MSN), and Khang Dien House (KDH), Phu Nhuan Jewelry (PNJ), Sabeco (SAB), Vinhomes (VHM) and Mobile World Group (MWG).

In the basket, 18 stocks climbed, and 11 dropped.

On a sector basis, 20 out of 25 sector indices on the stock market gained ground, including insurance, oil and gas, banking, wholesale, construction, rubber production, IT and logistics, agriculture, real estate, food and beverage, retail and healthcare.

Losers, meanwhile, included seafood production, construction materials, securities, and plastic and chemical production.

On the Ha Noi Stock Exchange (HNX), the HNX-Index grew 0.81 per cent to end Wednesday at 201.39 points.

The northern market index had closed Tuesday at 199.77 points, a gain of 0.61 per cent.

Some 44.4 million shares were traded on the northern exchange, worth VND678 billion.

Macro & Policies

2. Pangasius fish exports grow strongly

According to the Vietnam Association of Seafood Exporters and Producers, this is the strongest growth rate among Vietnam's aqua-product exports this year.

Vietnam's two largest Pangasius fish export markets are China and the U.S., accounting for 30% and 23%, respectively.

Vietnam has also boosted exporting Pangasius fish to the CPTPP markets and several Asian countries.

Vietnam has over 400 enterprises exporting Pangasius fish, most of which have seen higher revenue than the same period last year. If growth is maintained, Pangasius fish exports will reach over US\$2.5 billion at the end of this year, up 58% from last year.

Pangasius fish exports now make up 27% of the total of the aqua-product sector and are likely to increase.

3. HCMC needs VND210 trillion to build six more metro lines

As part of the department's plan, the urban railway system in HCMC will comprise eight axis routes connecting the city's downtown area. With a vision to 2035, the department proposed constructing six more metro lines with a total estimated cost of around VND210.76 trillion.

Currently, two metro lines — Ben Thanh-Suoi Tien and Ben Thanh-Tham Luong — are under construction in the city, with a total respective investment of VND43,700 billion and VND47,900 billion.

While the Ben Thanh-Suoi Tien Metro Line is 92.39% complete, the Ben Thanh-Tham Luong Metro Line has completed 85.49% of site clearance.

Besides, HCMC will develop more underground metro lines and monorail systems.

According to the department, the construction of the urban railways is reliant on official development assistance (ODA) loans, which are dwindling as Vietnam is now a middle-income country.

Given the situation, the department proposed that the HCMC government ask the Planning and Investment Department to join hands with relevant agencies to map out a plan to mobilize capital for the six metro lines and utilize land around the stations to finance the projects.

The Planning and Architecture Department needs to study urban planning and development in accordance with the TOD model, according to the report.

The total length of the urban railway system is estimated at 220 kilometers, with a total investment of nearly US\$25 billion.

4. 16.08 billion USD needed to upgrade seaport system: workshop

The workshop looked into the detailed planning scheme of seaports, harbours, wharves, floating terminals and water areas and another planning

scheme of the inland container deport system in 2021-2030 with a vision to 2050.

Deputy Minister of Transport Nguyen Xuan Sang said the domestic seaport system, with more than 90km in total length, can handle about 750 million tonnes of cargo each year.

More than 90% of Vietnam’s exports and imports have gone through the seaports, helping the country ensure its macro-economic stability, the official added.

Seaports have been formed at northern and southern gateways like Lach Huyen in northern Hai Phong city than can handle ships of up to 132,000 DWT and Cai Mep in southern Ba Ria-Vung Tau province which is designed to sustain ships of up to 214,000 DWT.

Deputy Director of the Consulting Centre for Transport Development Investment (CCTDI) Pham Hoai Chung said Vietnam has put 10 inland container depots into service.

The facilities and inland clearance depots are located along the five out of the 15 economic corridors and zones included in the planning scheme, and handle about 4.2 million TEUs of cargo each year.

Chung suggested public-private partnership (PPP) in inland container depot investment, and expanding and diversifying investment forms with the involvement of different economic sectors.

Representatives from localities and enterprises and experts stressed the need to define orientations to utilise the country’s coastline.

Sang asked localities to uphold their responsibility in planning, saying local budget should continue to be used in maritime infrastructure development.

5. Vietnamese exporters having advantages in UK: trade counsellor

Vietnam is among the very few countries that have signed a free trade agreement (FTA) with the UK, Nguyen Canh Cuong, Trade Counsellor at the Vietnamese Embassy in the UK, told the Vietnam News Agency (VNA), adding that Singapore and Vietnam are the only Southeast Asian nations to reach such deal.

The official pointed to tax incentives for Vietnam under the UK-Vietnam Free Trade Agreement (UKVFTA), and noted that the Southeast Asian country’s increasing national brand values have created positive effects among British businesses and consumers.

Cuong highlighted other advantages like hard-working people, dynamic young Vietnamese entrepreneurs and high-quality products - factors commended by the British side.

Next year, the UK may join the Comprehensive and Progressive Agreement for Trans-Pacific (CPTPP), to which Vietnam has been already a member, and during the process the UK has shown its will to make more open-door commitments to many Vietnamese products, he said.

Trade between Vietnam and the UK topped 5.22 billion USD in the first nine months of this year, of which Vietnam ran a trade surplus of 4.07 billion USD with total export revenue of 4.65 billion, up 8.1% year-on-year.

Vietnam’s export to the UK is expected to continue rising in the remaining months, especially rice that will grow sharply in the last quarter and even the first two months of 2023.

Cuong said apart from trade promotion activities, his office has coordinated to organise many consulting sessions so far this year, focusing on wood and agricultural products, clothes and education products, especially those which Vietnam can benefit under the UKVFTA and the UK has strong demand for.

Asked about challenges in the market, he said the long geographical distance and surging fuel prices have pushed up transportation costs.

Differences in business methods and practices also remain an obstacle, he said, suggesting Vietnamese enterprises study and adjust theirs to raise trust among British partners.

6. PetroVietnam negotiates with Algeria for 2nd phase of oil & gas joint venture

The joint venture of Petrovietnam Exploration Production Corporation (PVEP) under Petrovietnam, Thailand's PTT Exploration and Production Public Company and the national state-owned oil company of Algeria - Sonatrach Group was established in 2009 with total investment of 1.26 billion USD.

In the first phase, the Bir Seba field produces 20,000 barrels of oil per day. Since welcoming the first oil flow in August 2015, the project has pumped a total of 44.27 million barrels. It is considered a bright spot in the bilateral cooperation between Vietnam and Algeria.

The second stage of the joint venture project is expected to welcome the first oil flow in the first quarter of 2016, also with a design capacity of 20,000 barrels per day.

On the occasion, the Vietnamese delegation had a meeting with Algerian Minister of Energy and Mines Mohamed Arkab on November 7, during which the two sides reviewed the oil and gas partnership between Sonatrach and Petrovietnam, and assessed the prospects for expanding cooperation between the two sides in the coming time.

Arkab invited the Vietnamese firm to further invest in the oil and gas industry in his country, and set up more win-win partnerships.

For his part, Vuong expressed his satisfaction with the quality of the Petrovietnam - Sonatrach cooperation, and showed interest in increasing investment in Algeria, especially in existing oil and gas projects as well as new ones.

7. Vietnamese coffee exports set a new record

Despite inflation and difficulties in trade, Viet Nam's coffee exports recorded strong growth, according to experts, who expect a record US\$4 billion in export value this year.

According to the Ministry of Agriculture and Rural Development (MARD), coffee exports in the first nine months of 2022 reached nearly \$3.1 billion, up 37.6 per cent over the same period last year. Export coffee prices rose nearly 22 per cent to an average of about \$2,280 per tonne.

MARD's data showed the European Union (EU) continued to be Viet Nam's largest coffee consumption market with a market share of 39 per cent in the first eight months of the year, reaching nearly 490,700 tonnes with a value of \$1.1 billion, an increase of over 27 per cent in volume and over 54 per cent in value from the same period a year ago.

According to the Institute of Policy and Strategy for Agriculture and Rural Development, in the EU, Viet Nam's coffee exports to markets such as Belgium, Spain, the Netherlands, France, and Portugal have increased sharply compared with the same period last year. Despite inflation reaching a 20-year high, coffee exports to the EU still grew well.

The institute highlighted that coffee is an essential commodity, an indispensable drink of Western countries, and that the tariff reductions from the EU-Viet Nam Free Trade Agreement (EVFTA) also bring a great advantage for coffee exporters to this market.

Phan Minh Thong, chairman of Phuc Sinh Joint Stock Company, said that “coffee, like food, is an essential commodity for many countries so no matter how difficult it is, the demand still needs to be met. That has driven the growth of this item.”

Besides the EU, the amount of coffee exported to other markets also achieved impressive growth, including Russia up 17.3 per cent, the UK increased by 57.9 per cent, India increased by 116 per cent and Mexico spiked 52 times. In general, coffee exports to major markets increased as demand recovered after the COVID-19 pandemic, while global supply tightened due to crop failures and supply chain bottlenecks in some major producing countries.

Notably, the UK was the fifth largest coffee consuming market in Europe, after Germany, Italy, France and Spain. Viet Nam's coffee exports accounted for a large chunk of the UK's coffee imports, increasing sharply from 16.3 per cent in the first six months of 2021 to 29.9 per cent in the first six months of 2022, according to MARD data.

In the first eight months of 2022, Viet Nam's coffee exports to the UK market reached 34,700 tonnes, worth \$70.7 million, up 57.9 per cent in volume and 84.2 per cent in value over the same period in 2021. The free trade agreement between Viet Nam and the UK and Northern Ireland (UKVFTA) helped boost coffee export turnover to the UK market, said experts.

Regarding the US, the country still has high demand for coffee. Statistics from the US International Trade Commission said in the first six months of 2022, US coffee imports reached 833,960 tonnes, worth US\$4.68 billion, up 5.4 per cent in volume and up 51.3 per cent in value over the same period in 2021. The average import price of Vietnamese coffee to the US reached \$5,615/ton, up 43.5 per cent over the same period in 2021.

In terms of supply, the US increased coffee imports from main suppliers Colombia, Viet Nam and Guatemala but reduced imports from Brazil and Honduras, said the data.

In the Chinese market, instant coffee and ready-to-drink coffee are capturing a large market share

thanks to convenience of use. Demand for coffee in China is growing at an average rate of 15 per cent per year.

Nguyen Nam Hai, chairman of the Viet Nam Coffee and Cocoa Association, said that while other markets mainly imported green and raw coffee, China tended to import instant and processed coffee products. Therefore, Vietnamese businesses could focus on this segment to enhance added value.

Phan Minh Thong said the growth in coffee exports was also due to the fact that the global supply from the crop year 2021/2022 was lower than demand, as the world's leading coffee supplier Brazil reduced coffee production.

"The Brazilian Coffee Exporters Association (Cecafe) forecasts that the country's coffee stocks will only reach 7 million 60kg bags in March 2023 and be a record low for the world's number one coffee producer," Thong said.

Meanwhile, he said Viet Nam was about to enter the coffee harvest season 2022/2023, and forecast coffee output could increase by 10 per cent in the season.

Data from MARD showed local coffee yield has increased from 23.5 quintals/ha in 2011 to 28.2 quintals/ha in 2021 and output increased from 1.27 million tonnes in 2020 to 1.81 million tonnes in 2021. Currently, Viet Nam's coffee yield was more than three times higher (2.8 tonnes/ha) than the world's average coffee yield (0.8 tonnes/ha).

"The market demand for sustainable products is growing strongly, even 100 per cent every year, so this is an opportunity for businesses to produce and export coffee in particular and agricultural products in general," Thong said.

Corporate News

8. PNJ: Plan for stock issuance to raise capital

↑ 0.41%

The Board resolution dated November 07, 2022, the BOD of Phu Nhuan Jewelry Joint Stock Company approved the plan to issue shares for capital increase from the owner's equity with details as follows:

- Stock name: Phu Nhuan Jewelry Joint Stock Company
- Stock code: PNJ
- Stock type: common share
- Par value: VND10,000/share
- Number of shares expected to be issued: 82,000,687 shares
- Total value of issuance (at par value): VND 820,006,870,000
- Exercise ratio: 33.33% (3:1) (Those who own 03 shares will receive 01 new share)

- Time of implementation: Quarter 4/2022 and Quarter 1/2023, after being approved by the State Securities Commission of Vietnam (SSC).

- Plan to deal with fractional shares: The distributed shares will be rounded down to units, the fractional shares will be cancelled.

- For example: at the record date, shareholder A owns 125 shares. With 3:1 exercise ratio, the shareholder A will receive: $125 \times \frac{1}{3} = 41.6$ shares. According to rounding policy, the shareholder A will receive 41 new shares and fractional shares of 0.6 share will be cancelled.

- Transfer restriction:

- + The distributed shares to employees who will be restricted transfer;

- + The distributed shares to existing shareholders who will not restrict transfer.

9. OCB: Plan for stock issuance to raise capital

↑ 0.37%

The Board resolution dated November 08, 2022, the BOD of Orient Commercial Joint Stock Bank approved the plan to issue shares for capital increase from the owner's equity with details as follows:

- Stock name: Orient Commercial Joint Stock Bank
- Stock code: OCB
- Stock type: common share
- Par value: VND10,000/share

- Number of shares issues: 1,369,882,863 shares

- Number of outstanding shares: 1,369,882,863 shares

- Number of treasury shares: 0 share

- Number of shares expected to be issued: 410,964,858 shares

- Total value of issuance (at par value): VND 4,109,648,580,000

- Exercise ratio: 30% (10:3) (Those who own 10 shares will receive 03 new shares)
- Plan to deal with fractional shares: The distributed shares will be rounded down to units, the fractional shares will be transferred to Trade Union of OCB.
- For example: at the record date, shareholder A owns 105 shares. With 10:3 exercise ratio, the

shareholder A will receive: $105 \times 3 / 10 = 31.50$ shares. According to rounding policy, the shareholder A will receive 31 new shares and fractional shares of 0.5 share will be transferred to Trade Union of OCB.

- Time of implementation: after being approved by the State Securities Commission of Vietnam (SSC).

Research Team:

Tsugami Shoji *Researcher*

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

Website: www.japan-sec.vn