



# VIETNAM DAILY NEWS



May 16th, 2023

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## Market Analysis

### 1. Shares drop on profit-taking, foreign capital outflow

The market ended lower on Monday as some investors seized the chance to take profit from the previous rally, while foreign investors continued to be net sellers.

On the Ho Chi Minh Stock Exchange (HoSE), the VN-Index declined by 0.11 per cent, to 1,065.71 points.

The breadth of the market was neutral with 196 gainers and 197 losers. Matching value on the southern bourse reached VND13.6 trillion (US\$579.9 million), equal to a trading volume of more than 834 million shares.

Foreign investors ran away from the market as they net sold a total of VND376 billion on HOSE, mostly Vietinbank (CTG) with VND100 billion and Vinamilk (VNM) with VND53 billion. On the HNX, foreign investors net sold VND16.2 billion, of which Petrovietnam Technical Services (PVS) was the most net-sold with VND25.8 billion.

The VN30-Index posted a rise of 0.42 per cent, to 1,070.90 points. Of the VN30 basket, 15 out of the 30 biggest stocks in market capitalisation on HoSE inched down, while 13 ticker symbols gained and two were flat.

The VN-Index's downward trend was due to weak sentiment and profit-taking activities of some investors, leading to losses of many large-cap stocks.

Vietcombank (VCB), Vietinbank (CTG), Masan Group (MSN), Hoa Phat Group (HPG) and Vietnam Rubber Group (GVR) were the top five stocks with the greatest losses on Monday, dominating the downward trend. The stocks slid in a range of 0.4-3.9 per cent.

The bearish trend was limited by gains of some pillar stocks, led by “Vin” family stocks such as Vingroup (VIC), Vinhomes (VHM) and Vincom Retail (VRE), with an increase of 5.2 per cent, 1 per cent and 0.9 per cent, respectively in market cap.

Similarly, the HNX-Index on the Ha Noi Stock Exchange (HNX) also witnessed poor performance on Monday. It ended the trading day at 214.33 points, a dip of 0.36 per cent.

During the session, more than 114.7 million shares were traded on the northern market, worth VND1.6 trillion.

It is expected that the market will be supported at 1,060 – 1,065 points and expand the uptrend in the near future to retest supply at the resistance zone of 1,080 – 1,100 points.

Therefore, investors can expect a shortterm rally of the market. In the meantime, it is possible to consider holding or exploiting short-term opportunities in stocks with good technical signals and attracting cash flow, said Viet Dragon Securities Co.

## Macro & Policies

### 2. Charter capital of banks to increase sharply in 2023

Many banks plan to increase their charter capital in 2023 in order to ensure operational safety and have more resources for business development.

Data from the State Bank of Viet Nam (SBV) showed that by the end of 2022, the charter capital of the whole banking system reached VND876.99 trillion, up 13.04 per cent over the same period last year.

The charter capital of State-owned commercial banks was VND190.43 trillion, an increase of 5.75 per cent over the same period in 2021 and the number of joint-stock commercial banks was nearly VND469.41 trillion, an increase of 19.26 per cent over the same period in 2021.

In a recent report sent to the National Assembly's Economic Committee, the SBV said it is coordinating with relevant ministries and branches to consider and submit to the competent authorities a plan to increase charter capital from profits after tax and after setting aside funds in the 2021-23 period for State-owned commercial banks Vietcombank, VietinBank and BIDV; and from the State budget for Agribank.

At the same time, the SBV also directed Vietcombank, VietinBank and BIDV to develop a plan to increase charter capital from profits after tax and after setting aside funds in 2021 to submit to the Prime Minister for approval.

As for Agribank, the Government on April 25 issued a resolution on additional investment in charter capital for the bank. Accordingly, the SBV's Governor will be authorised by the Prime Minister, on behalf of the Government, to report to the National Assembly on charter capital addition by VND17.1 trillion for Agribank in the 2021-23 period.

In order to prepare for the capital increase plan, at the general meeting of shareholders in 2023, Pham Quang Dung, chairman of Vietcombank, said Vietcombank's capital increase plan of about VND27 trillion will be from three sources including profit in 2020 and the remaining profit of 2019 with the

issuance rate of 18.1 per cent approved by the Government; profit of 2021; and the remaining accumulated profit before 2018.

Vietcombank's capital increase policy was agreed upon by the SBV and the Ministry of Finance. The bank is preparing procedures to submit to the competent authorities for approval.

In 2023, BIDV plans to increase its charter capital to more than VND61.56 trillion by issuing nearly 642 million shares to pay dividends to shareholders. The source for implementation is the remaining profit in 2021 after setting aside the required funds. Accordingly, the bank's charter capital will increase by more than VND6.42 trillion; private placement or public offering of more than 455 million shares according to a plan approved by the bank's 2022 annual general meeting of shareholders (AGM).

VietinBank's AGM also approved a plan to increase charter capital in 2023. If the capital increase plan is successful, VietinBank's charter capital will increase from VND48.06 trillion to VND66.03 trillion.

According to the SBV's data, by the end of January 2023, four State-owned commercial banks Agribank, Vietcombank, VietinBank and BIDV will have a total charter capital of VND180.4 trillion. With the charter capital increase plans, if successfully implemented, the charter capital of the State-owned commercial banks will increase sharply in 2023.

Meanwhile, the race to increase capital in joint stock commercial banks is more exciting as many banks have planned to increase their charter capital by trillions of Vietnamese dong. For example, VPBank is expected to increase by about VND12.2 trillion to bring its charter capital from VND67.43 trillion to more than VND79.34 trillion.

In order to achieve the goal of increasing capital, at the AGM, VPBank leaders said they would issue more than 1.19 billion shares to strategic shareholder Sumitomo Mitsui Banking Corporation and issue more than 30.2 million shares of employee

stock ownership plan (ESOP). After the issuance, VPBank will become the bank with the largest charter capital in Viet Nam's banking system.

TPBank's 2023 AGM also approved a plan to increase charter capital to VND22.01 trillion. Specifically, the bank plans to increase charter capital by nearly VND6.2 trillion to VND22.01 trillion through dividend payment in shares.

At Military Bank (MB), the bank's AGM also approved a plan to increase charter capital in 2023 by more than VND9 trillion. If the plan is favourable, the charter capital of MB will increase from VND45.34 trillion to VND53.68 trillion.

The 2023 AGM of VIB also ratified a plan to increase charter capital from nearly VND21.07 trillion to VND25.37 trillion. With the additional charter capital, VIB plans to use VND4.09 trillion to provide

credit and invest in liquid assets, VND100 billion to invest in facilities and technology, and VND100 billion to invest in branch network upgrading.

SHB's AGM in 2023 also approved a plan to increase charter capital from VND30.67 trillion to more than VND36.19 trillion, while SeABank, ACB, HDBank, Techcombank and Bac A Bank also plan to increase their charter capital by more than VND5.5 trillion, VND5.06 trillion, VND3.97 trillion, VND35.22 trillion and VND9.9 trillion, respectively.

Experts said raising capital has always been the top priority of banks in recent years. Therefore, if the capital increase plans are successfully implemented, the charter capital of commercial banks will increase sharply in 2023. High charter capital will be a good buffer to help banks have more resources to cope with difficulties and expand business activities besides supporting the economy and firms.

### 3. Major banks lower deposit interest rates

Vietcombank has recently lowered its deposit rates for tenors of one to two, three, and six to nine months to 4.6%, 5.1% and 5.8% per year, respectively.

The deposit rates for the 12-month term or longer remain at 7.2% per year.

Vietinbank and Agribank have also slashed their deposit rates by 30 basis points per year for different tenors, similar to those offered by Vietcombank.

VPBank's deposit rates for terms over 12 months have been reduced by 20 basis points per year. The

highest rate is now 8% for the 12-13 month term while the rates for the 15-36 month term have been cut to 7.2% per year.

TPBank has also revised down its deposit rates by 20 basis points for tenors of six months or longer. Currently, the highest deposit rate at this bank is 7.8% per year for online savings accounts with a 12-month term.

The deposit rates at OCB have also been adjusted down by 0.1-1.1 percentage points per year. Similarly, Techcombank now applies deposit interest rates of 5.5% for tenors of less than six months and 7.6% for tenors of over six months.

### 4. Foreign invested sector - important growth driver of Vietnam: official

With open policies and a favourable, stable, and increasingly improved business climate, Vietnam is one of the leading countries and has obtained many major achievements in foreign investment attraction, he told a workshop held by the Vietnam Investment Review in Hanoi on May 15.

Over the last 35 years, the foreign invested sector has always been considered an important part of the Vietnamese economy and given conditions by the Party and State to develop, cooperate, and compete healthily and fairly with other economic sectors, the deputy minister noted.

As of the end of April, Vietnam attracted nearly 446 billion USD in foreign investment, 280 billion USD of which had been disbursed, statistics show.

Despite impacts of the COVID-19 pandemic, Vietnam was still among the 20 biggest recipients of foreign investment in 2020 as reported by the UN Conference on Trade and Development (UNCTAD). This proves Vietnam’s successes in attracting external resources, Trung said.

The foreign invested sector has made substantially contributions to the country’s integration into the world, expansion of relations with other countries, and promotion of its position and role in the region and the world, he went on.

Vietnam is still assessed as an attractive investment destination, he said, citing a recent survey by the Japan External Trade Organisation (JETRO) which revealed that 60% of Japanese firms plan to expand operations in Vietnam in the next one or two years. Meanwhile, European investors rank Vietnam fifth among the leading global investment places.

Choi Joo-ho, General Director of Samsung Vietnam, said Samsung has invested in the country since 2008 and is now present in many localities like Thai Nguyen, Hanoi, and Bac Ninh.

As of 2022, the Korean group had poured 20 billion USD into Vietnam and created about 300,000 jobs. In particular, half of the Samsung mobile phones exported globally is produced in the country.

However, the UNCTAD report also pointed out that competition in foreign investment attraction among developing countries will become fierce, especially amid a forecast decline in foreign investment flows in 2023 and an increase in investment demand for post-pandemic recovery and development.

To attract more foreign direct investment (FDI), many foreign firms recommended Vietnam continue building a transparent, predictable, and optimal investment and business climate. Samsung Vietnam held that foreign investors should also boost social activities and contribute more to local economic growth.

Deputy Minister Trung said aside from measures for keeping macro-economic stability, improving infrastructure, and developing human resources, Vietnam will also carry out others, including promoting an ecosystem for science, technology, and innovation, devising a flexible management mechanism, developing a strong domestic sector able to cooperate with the foreign invested one, and focusing on high and new technologies, modern services, the manufacturing industry, information technology, and financial services.

The country will also bring into play its internal strength and competitive edges to enhance the ties between the domestic and foreign invested sectors so as to secure sustainable economic development, he added.

## 5. Mekong Delta well positioned to receive FDI inflows

The Mekong Delta region, located on the maritime route in the centre of the ASEAN region, has great potential to draw strong investment waves from other countries, especially neighbouring nations.

To tap the opportunities ahead, regional localities have designed various policies and measures to support foreign investors in developing stably and sustainably, including creating a smooth environment for them. The efforts are expected to turn the region into an attractive destination for investors.

Great potential for investment attraction

According to the Ministry of Planning and Investment (MPI), in the 2021-25 period, the region expects to be allocated VND320 trillion (about US\$13.65 billion) of State capital for infrastructure projects, up 23.3 per cent over the 2016-20 period.

Meanwhile, it will also get about VND140 trillion in State funding through ministries for other projects across the region.

Minister of Planning and Investment Nguyen Chi Dung said that the capital will be poured into infrastructure development projects, especially routes connecting the region with HCM City and the

Southeastern region through roads, waterways and railways.

At the same time, a coastal route linking Tien Giang and Kien Giang provinces will be developed in association with saltwater intrusion prevention and security-defence protection, forming an open economic corridor towards the sea.

In the first six months of this year, the construction of 188-km Chau Doc - Can Tho - Soc Trang expressway, part of the North-South Expressway that crosses four localities of An Giang, Can Tho, Hau Giang and Soc Trang was launched, while Ha Tien-Rach Gia Expressway with a length of nearly 100km was also proposed by Kien Giang.

Long An Province, located in the gateway to the Mekong Delta region, ranks third among localities across the country in the process of developing industrial parks after Dong Nai and Binh Duong provinces.

In terms of FDI attraction, Long An ranks 13th in the country and third in the southern key economic region after Ba Ria - Vung Tau and HCM City. It always leads the provinces and cities in the Delta region in the field. To date, the province has attracted 167 projects outside industrial parks, including 16 foreign-invested projects with a total registered capital of \$4.5 billion.

Meanwhile in Can Tho City, the Vietnam-Singapore Industrial Park (VSIP) has been one of the major projects developed towards green, smart, modern and sustainable manufacturing. The project has created a large number of jobs and paid a great amount to the local budget collection, contributing to the city's modernisation and industrialisation.

#### Creating smooth investment environment

Over the years, Long An has been highly evaluated by investors for its support in exploring the local investment environment and implementing its projects. Investment projects meeting the province's requirements and priorities have received investment licensing within one day.

Chairman of the People's Committee of Long An province Nguyen Van Ut said that this year, the province will upgrade its investment promotion capacity to lure more big investors and multinational groups, while fostering coordination among authorised agencies in processing the procedures to issue investment licences with the motto of accompanying businesses.

At the same time, Can Tho, the capital of the Mekong Delta region, is focusing on assisting local firms to expand production and business operations, and introducing its potential to domestic and foreign investors through different channels.

Chairman of the Can Tho People's Committee Tran Viet Truong said that Can Tho will provide optimal conditions for businesses, while creating a smooth business climate and turn itself into a trustworthy and attractive address for foreign investors. The local administration commits to accompanying businesses and investors to explore opportunities and implement their projects in the city, he pledged.

In Vinh Long Province, a plan for investment promotion for 2023 was issued with an aim to put forth investment and socioeconomic development programmes in the locality. It has also called for investment in its prioritised sectors such as digital economy, biotechnology, high-tech agriculture, environment, clean energy and technical infrastructure development.

Deputy Chairman of the Vinh Long People's Committee Nguyen Van Liet said that along with implementing major projects, Vinh Long will also organise investment promotion programmes and exchange information with foreign organisations, agencies and associations to introduce the province's potential to foreign investors.

At the same time, Vinh Long will also join investment promotion events inside and outside the country with the same purpose, he said.

According to the Foreign Investment Agency under the Ministry of Planning and Investment, as of the end of January 2023, the Mekong Delta region, comprising 13 cities and provinces had hosted 1,884 FDI valid projects worth over \$35 billion.

## 6. Government prioritizes developing HCMC-Can Tho express railway

The HCMC-Can Tho rail line project that connects the Southeast region with the capital of the Mekong Delta was planned 10 years ago. Recently, the Ministry of Transport and local authorities restarted the project.

The 174-kilometer railway will start at An Binh Station in Binh Duong Province and end at Can Tho Station. It will run through six cities and provinces, including Binh Duong, HCMC, Long An, Tien Giang, Vinh Long and Can Tho.

The rail line will require a total of around US\$9 billion.

The PM also urged relevant departments and agencies to speed up work on two major roads in the Mekong Delta, namely HCMC-Ca Mau expressway and the axis East-West road passing through Soc Trang, Can Tho, Hau Giang and An Giang.

The Government has allocated around VND400 trillion for traffic infrastructure this term, three to four times higher than in the previous term.

## 7. Ministry calls for adequate power supply amid heat

The unpredictable El Nino phenomenon, heat waves and drought could continue in southern provinces in May and northern and central provinces in early June. The hot spell is also forecast to hit the country in June and July.

The prime minister assigned the Ministry of Industry and Trade to direct EVN to review the power generation plan given falling water reservoir levels to secure electricity supply for producers and households.

The prime minister requested strengthening the use of all sources of energy. Priority should be given to saving water for hydropower plants to put droughts, water shortages and salinization under control.

At the meeting, Minister of Industry and Trade Nguyen Hong Dien asked EVN, Vietnam Oil and Gas Group (PVN) and the Vietnam Coal and Mineral Industries Group (Vinacomin) to prevent power supply interruptions.

The minister also called for a campaign to save energy in the country.

EVN was told to hold talks with investors of eligible renewable power projects to increase power supply for the national grid while importing electricity from other countries.

Meanwhile, PVN and Vinacomin need to work closely with EVN and other relevant agencies to supply gas and coal for thermo-power plants as planned.

## Corporate News

### 8. SBT: Plan for bond repurchase before maturity

↓ -0.61 %

The Board resolution dated May 09, 2023, the BOD of Thanh Thanh Cong – Bien Hoa Joint Stock Company with the following contents:

1) Approved the plan for repurchase of a part of bonds before maturity:

- Bond name: Thanh Thanh Cong – Bien Hoa Joint Stock Company

- Bond code: SBT121002

- Bond type: corporate bond

- Par value: 10,000 dongs/bond

- Exchange floor: HNX

- Estimated repurchase volume: 4,500,000 bonds

- Exercise ratio: number of redeemable bonds/ number of bonds owned by investors: 4.5/7

- Repurchase price: 102,010.822 dongs/bond

- Record date: May 22, 2023.

2) Approved the implementation to collect bondholders' written opinions:

- Record date: May 22, 2023

- Exercise ratio: 01 bond – 01 voting right

- Time of implementation: expected from May 2023 to June 2023

- Venue:

+ For collecting bondholders' written opinions: Bondholders will send their opinions to Techcom Securities Joint Stock Company (119 Tran Duy Hung, Trung Hoa ward, Cau Giay district, Ha Noi).

+ For collecting bondholders' electronic voting opinions: Bondholders will visit at the website address: <https://tcinvest.tcbs.com.vn/e-voting-list>

- Content: approving some contents related to the collateral of SBTB2124001 bond (bond code: SBT121002).

### 9. SKG: Notice of the record date for dividend payment

↑ 0.26 %

On May 12, 2023, Superdong Fast Ferry Kien Giang Joint Stock Company announced the record date for the cash dividend payment in 2022 as follows:

- Record date: May 26, 2023
- Exercise ratio: 5% (500 dongs/share)
- Payment date: June 16, 2023

- Place of implementation:

+ For deposited securities: Shareholder will implement procedures to receive dividend at the securities company where shareholders opened securities depository account.

+ For undeposited securities: Shareholder will receive dividend at Superdong Fast Ferry Kien Giang Joint Stock Company on working days. Please present shareholder's identity card/citizen identity card and Share ownership certificate when receiving dividend at the Head office.



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