



VIETNAM DAILY NEWS



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Market Analysis

1. Shares continue losses on selling forces

Shares extended losses on Wednesday as the state of profit-taking from the previous session still asserted and restrained indices' development.

On the Ho Chi Minh Stock Exchange (HoSE), the VN-Index lost by 0.51 per cent, to close at 1,060.44 points.

“After struggling around 1,065 points, VN-Index dropped at the end of the session and closed at 1,060.44 points, a fall of 5.47 points compared to yesterday,” said BIDV Securities Co.

“Market breadth skewed to the negative side. Regarding the transactions of foreign investors, today they were net buyers on both HoSe and HNX. In the coming sessions, VN-Index is likely to continue to experience struggling sessions in the range of 1,055-1,065 points,” it said.

The breadth of the market was negative with 141 gainers and 246 losers. The matching value on the southern bourse reached VND13.3 trillion (US\$567.1 million), equal to a trading volume of more than 836.8 million shares.

The VN30-Index posted a fall of 0.7 per cent, to 1,062.10 points. Of the VN30 basket, 23 out of the 30 biggest stocks in market capitalisation on HoSE inched down, while 6 ticker symbols gained and one was flat.

The VN-Index's upward trend was restrained by the profit-taking activities of investors.

The stock groups putting the worst impact on VN-Index were banking and securities, including Techcombank (TCB), Tien Phong Bank (TPB), Sacombank (STB), VPBank (VPB), Military Bank (MBB), VNDirect Securities Corporation (VND), Saigon-Hanoi Securities JSC (SHS), Viet Capital Incorporation (VCI), Agribank Securities Corporation (AGR), APG Securities Joint Stock Company (APG).

Oil and gas stocks also performed poorly such as Viet Nam National Petroleum Group (PLX), PetroVietnam Technical Services Corporation (PVS), PetroVietnam Drilling and Well Services Corporation (PVD) and Drilling Mud Joint Stock Corporation (PVC).

The HNX-Index on the Ha Noi Stock Exchange (HNX) ended the trading day at 212.86 points, a drop of 0.82 per cent.

Foreign investors net bought VND102.76 billion on HOSE, including Hoa Phat Group (HPG) with VND215.43 billion, Vinhomes (VHM) with VND74.53 billion, PVPower (POW) with VND34.29 billion. They were net buyers on HNX with the value of VND13.6 billion.

Macro & Policies

2. Longer e-visa validity will boost tourism: Govt

On behalf of the Government, General To Lam, Minister of Public Security, has submitted a report to the National Assembly explaining the proposal to revise immigration procedures, e-visa issuance, and visa exemption for foreign visitors.

The current 30-day validity period of e-visas is short, making it hard to bring more foreign travelers to the country. Extending the e-visa validity to three months with single or multiple entries would attract tourists who want to spend more time in Vietnam and create favorable conditions for foreigners to conduct research, and market or investment surveys, according to the Government.

The e-visa validity extension would make it easy for those foreign individuals responsible for establishing a commercial presence, service providers, and service suppliers to have enough time to stay in Vietnam, as outlined in the country's commitments under Free Trade Agreements (FTAs).

Regarding the proposal to lengthen the visa-free stay for foreign tourists to 45 days from the current 15, the Government explained that visitors from international markets such as Europe often prefer vacations that last 15 days or longer.

According to the Ministry of Public Security, the number of foreign nationals applying for e-visas has steadily increased since 2017. Since the Government resumed the pre-pandemic immigration policy, the issuance of e-visas has surged by 46.6 times.

Currently, single-entry e-visas are issued by the Immigration Department, with a maximum duration of 30 days. Vietnam currently grants e-visas to citizens of 80 countries.

The proposal will be presented to the National Assembly session, expected to begin on May 22.

3. Many businesses taste sweet success due to high price of sugar cane

Closing the third quarter of the 2022 - 2023 crop year, the sugar industry achieved brighter business results than expected because the global sugar price rose to the highest level in more than a decade.

With concerns about tightened supply affecting global food security, global sugar prices have skyrocketed.

Specifically, global raw sugar prices have recorded an increase from the beginning of April, touching 24.67 US cents per pound on April 19, the highest level since Q1/2012.

In addition, the impact of domestic trade remedies has also limited a large amount of imported sugar, so supply and demand are more balanced. Domestic sugar prices are expected to remain at a high level.

The Securities Corporation of Vietnam Joint Stock Commercial Bank for Foreign Trade (VCBS) said in its sugar industry report for the first quarter of 2023 that the protection measures for the domestic sugar industry had made imported sugar volume decline. The sugar imports from Thailand, Laos and Cambodia in the first quarter decreased by more than 12 per cent year on year.

Viet Nam imposes an anti-dumping levy on some sugar products imported from five Southeast Asian countries but originating from Thailand.

The purchasing price of sugarcane has also recovered to an average of VND1.05-VND1.1 million per tonne due to the scarcity of supply, creating favourable conditions for farmers to expand the raw material area.

Sugar price is forecast to increase by around VND18,000-18,500 per kilo thanks to increased domestic demand. Less competitive price of imported sugar after being taxed has also boosted demand for domestic sugar.

The above information brought a positive business outlook to sugarcane enterprises in the third quarter of the 2022 - 2023 crop from January 1 to March 31, 2023.

Leading was Kon Tum Sugar (KTS) with a net profit of more than VND12 billion, 3.2 times higher than in the same period last year. This is a business that regularly maintains a profit of less than VND4 billion per quarter, but in the third quarter of the 2022 - 2023 crop, the company had strong growth thanks to high sugar consumption in the domestic market.

Meanwhile, Son La Sugar (SLS) had a second consecutive quarter of net profit of over a hundred billion Vietnamese dong. Specifically, the third quarter's net profit reached more than VND109 billion, up 90 per cent. It was a record high in its profit for a quarter.

One of the advantages that helped SLS achieve this result was that the company is exempt from corporate income tax due to its agricultural product processing activities carried out in Son La Province, a locality with extremely difficult socio-economic conditions.

In addition, income from financial activities in this period increased by 100 per cent to nearly VND11 billion, including VND8 billion being the interest on loans for investment in raw material areas.

Lam Son Sugarcane (LSS)'s net profit increased by 22 per cent, reaching more than VND7 billion because all expenses were significantly reduced over the same period, although net revenue decreased by more than 15 per cent.

A major player in the industry is Quang Ngai Sugar (QNS), the owner of the Vinasoy brand, whose financial year normally ends on December 31 of each year.

At present, the company has announced the consolidated financial statements of the third quarter of 2023 with net revenue of nearly VND2.13 trillion and net profit of nearly VND317 billion, up

17 per cent and 80 per cent, respectively, over the same period of last year.

Regarding each business segment, Quang Ngai Sugar said there were some products with high growth such as sugar products with growth in sales volume at 90 per cent and revenue at 80 per cent, thereby contributing VND746 billion to total revenue.

However, the soy milk segment still played a key role with VND817 billion in revenue, a reduction of more than 8 per cent.

While most businesses received positive results, Thanh Thanh Cong - Bien Hoa (TTC AgriS, Hose: SBT) announced the third quarter financial statements of the year 2022 - 2023 with weaker results.

SBT's net revenue was about VND5.71 trillion, up 62 per cent. Of which, the sugar business accounted for nearly 91 per cent, reaching more than VND5.174 trillion, up 76 per cent.

However, SBT's net profit dropped 27 per cent to more than VND149 billion because financial expenses doubled in the same period, while selling and administrative expenses also increased significantly.

In general, the profit of most sugarcane enterprises in the third quarter increased sharply compared to the same period last year. The high price of sugar is one of the main factors improving the profitability of sugarcane producers.

In the agricultural industry report published at the beginning of April, VNDirect Securities Company said that companies mainly using domestic sugarcane materials, such as SLS and LSS, will benefit more from the upward trend in sugar prices.

For enterprises importing raw sugar to produce refined sugar such as QNS or SBT, the high selling price of sugar in 2023 will partly offset the increase in imported raw sugar prices.

In line with business results, stocks of the sugar industry boomed in both market price and liquidity recently. This industry was one of the few industries that attracted cash flow during the quiet period of the market.

LSS shares hit the ceiling at VND12,150 per share on May 8, increasing by 90 per cent compared to the beginning of the year.

During the same period, KTS shares reached VND26,300 each share, up 79 per cent, and QNS shares rose by 32 per cent to VND44,500 per share. The "big firm" SBT gained the lowest growth at 14 per cent to VND16,600 per share.

Especially, SLS became a phenomenon on the stock exchange when continuously conquering its historical peak. It set a new peak of VND175,000 per share on April 25, an increase of 43 per cent compared to the beginning of the year. It is one of the most "expensive" stocks on the stock exchange at the moment.

4. Exploring new markets expected to fuel foreign trade

Difficulties facing the world economy continued affecting Vietnam's foreign trade in April, as trade value totaled 53.57 billion USD, falling 7.7% month on month and 18.8% year on year.

It stood at 210.79 billion USD in the first four months, down 13.6% from a year earlier (compared to an increase of 16.6% recorded in the same period last year), according to the Ministry of Industry and Trade (MoIT).

The MoIT blamed that fact on different causes, including high inflation in many countries and nosediving purchasing power, especially in terms of non-essential goods.

Such sectors as textile - garment, leather - footwear, wood, and fisheries whose main markets are the US and the EU experienced the sharpest decreases in overseas shipments.

Besides, input factors like materials, personnel, and transportation saw surging costs while export prices remained almost unchanged, undermining the competitiveness of products.

Meanwhile, imports were estimated at 26.03 billion USD in April and 102.22 billion USD in the first four months, respectively dropping 8.1% month on month and 15.4% year on year (compared to the growth of 16.1% in the same period last year).

Materials serving domestic production accounted for up to 88 billion USD, or 86% of the four-month import turnover. The import value of this group of commodities fell 18% from a year earlier due to the shortage of orders, the MoIT pointed out.

To address those difficulties, it will connect domestic enterprises and business associations with Vietnam's trade offices abroad to address their concerns.

The ministry will also reform and step up trade promotion in new and potential markets such as India, Africa, the Middle East, Latin America, and Eastern Europe, as well as those less affected by high inflation and holding positive growth prospects like the ones of the Association of Southeast Asian Nations (ASEAN).

The markets with an expanding middle class, including the Emerging 7 (E7) countries (China, India, Turkey, Russia, Mexico, Indonesia, and Brazil) and Halal markets like the Middle East, Malaysia, and Brunei, will also be tapped into, the MoIT added.

Diversifying markets is also a path chosen by many enterprises.

The Cong Thuong (Industry & Trade) newspaper cited Than Duc Viet, General Director of the Garment 10 Corporation, as saying that aside from traditional markets, his firm will also move to successfully enter new and potential ones such as Africa, the Middle East, and China.

In addition, the company will boost restructuring, digital transformation, and the use of renewable energy and green materials. It will also offer more suitable products with competitive prices to the domestic market, he noted.

5. Da Nang aims to become attractive logistics centre by 2030

The target is set in a project on developing logistics services in the city in association with the central key economic region and the East-West Economic Corridor for the 2021-2030 period, with a vision to 2050, which has just been approved by the municipal People's Committee.

Under the plan, the logistics service industry is expected to contribute 11-12% of the city's gross regional domestic product by 2030 and up to 15.5% by 2050.

Regarding the potential of logistics development in Da Nang, Duong Tien Lam, head of the representative office of the Vietnam Logistics Business Association (VLA) in Da Nang, said that the central city has opportunities to attract cargo through this economic corridor as it boasts an international container port and international airport and a location at the beginning of the East-West Economic Corridor.

However, to unlock its potential, it is necessary for Da Nang to devise specific policies to increase the volume of goods in circulation including incentives for investment in for-export production and logistics facilities.

Director of the municipal Department of Industry and Trade Le Thi Kim Phuong said that from now until 2030, the city has put forth solutions to

research and issue new mechanisms and policies to facilitate container transportation activities via Da Nang seaport.

It will also provide support relating to land rent for logistics centre investment projects to encourage enterprises to invest in infrastructure construction, she noted.

To attract investment in the field of logistics, Da Nang city will study the formation of a Free Trade Zone (FTZ) with Lien Chieu Seaport, Da Nang International Airport and Hi-tech Park being its centre. The FTZ will offer incentives for investors such as exemption/reduction of taxes and fees; simplify the procedures for issuing and extending work visas and work permits.

Da Nang will boost trade and investment promotion in the south-central provinces of Laos; strengthen linkages with logistics associations and enterprises in the Association of Southeast Asian Nations (ASEAN) countries and around the world.

There are 1,056 enterprises operating in the field of logistics in Da Nang, including 681 engaging in providing road freight transport services; 16 offering services related to sea transport and 30 enterprises providing agency, forwarding and shipping services.

6. Flagship non-tariff, logistics, and industrial zone project kicks-off in Haiphong

When the phoenix flowers bloom in May, people in Haiphong joyfully look forward to the anniversary of the city's complete liberation. Many special and meaningful activities are organised by the City People's Committee to welcome this great occasion.

In particular, the groundbreaking ceremony for the Lach Huyen tariff-free, logistics, and industrial zone project in the Dinh Vu-Cat Hai Economic Zone was of special interest.

Prime Minister Pham Minh Chinh attended the ceremony with nearly 300 guests including delegates from the central government and Haiphong city, leaders of local departments, sectors, and branches, officials from other provinces and cities, and representatives of embassies and the Taiwan Business Association, along with many domestic and foreign partners and media reporters.

The key logistics development project

In his speech at the event, PM Chinh expressed delight that the Lach Huyen non-tariff, logistics, and industrial zone project is being developed in accordance with the public leadership-private governance model, in which, the government develops mechanisms and policies and invests in infrastructure to connect to the project, while businesses invest in the internal infrastructure, call for secondary investors, and manage operations.

The PM asked ministries, departments, branches, and Haiphong city to continue developing mechanisms, policies, premises, and transport and connection infrastructure so that Xuan Cau-Lach Huyen Investment JSC can accomplish the project's development goals.

The Lach Huyen non-tariff, logistics, and industrial zone project is identified as a key project in 2023 according to Haiphong People's Committee, forming a fundamental part of the city's logistics development journey.

Nguyen Van Tung, Chairman of Haiphong People's Committee said, "With the advantage of being part of the Lach Huyen international deepwater port, which can receive cargo ships of up to 150,000DWT from all over the world, and as a non-tariff zone, the Lach Huyen tariff-free, logistics, and industrial zone project has many opportunities to draw investment while developing into a production centre and a regional and global logistics hub."

The construction of the Lach Huyen non-tariff, logistics, and industrial zone aims to contribute to perfecting the functions of the Cat Hai area, creating synchronisation and strengthening the investment attraction, trade promotion, and socioeconomic development of Haiphong city and the northern region.

Echoing the vision of Haiphong city, the investor representative said, "Xuan Cau-Lach Huyen

Investment JSC has set forth the target of turning the site into a production hub and a logistics and transshipment centre, with the aim of developing Lach Huyen deepwater port into an international transshipment facility."

The shifting trade flows bring prosperity hallmark

The formation of Lach Huyen non-tariff, logistics, and industrial zone will complete the infrastructure and functional subdivisions of Lach Huyen international deepwater port area in particular and of Haiphong in general.

The project is expected to create a new hub for goods transshipment, affecting the shift of the world's inherent trade flows and forming the basis to attract overseas funding to Haiphong and the northern region, thereby driving development in many economic and social respects.

The groundbreaking ceremony brought joy, excitement, and the belief that the Lach Huyen tariff-free, logistics, and industrial zone project will soon be formed and have many positive impacts.

Xuan Cau-Lach Huyen Investment JSC received the prime minister's approval for the investment policy of Lach Huyen tariff-free, logistics, and industrial zone project via Decision No.535/QD-TTg dated April 1, 2021, and the project was granted an investment registration certificate by Haiphong city on December 6, 2021.

The project has completed its investment preparation procedures and acquired a construction permit from the Haiphong Economic Zone Authority.

7. Repair completes for two broken undersea cables connecting Vietnam with the world

Three other undersea cable networks, Asia-Africa-Euro 1 (AAE-1), Asia America Gateway (AAG) and Asia Pacific Gateway (APG) are expected to be fixed in May and June.

All the five undersea cables connecting Vietnam with the world encountered problems in late 2022 and early months of this year, affecting internet speed between Vietnam and the rest of the world as well as on the operation of technological enterprises.

Besides the five, other two submarine cables - SJC2 and ADC - have not been officially put into operation yet.

In late February, the SMW3 cable connecting Vietnam with Singapore was found to be malfunctioning.

Earlier, AAG and APG suffered from serious failures and were completely unable to carry the Internet traffic. Two others, IA and AAE-1, also recorded breakdowns and are only partly functional.

The MIC has actively worked with cable managers and international partners to quickly handle and ensure service provision for customers.

Corporate News

8. HDG: Plan for stock issuance to pay dividend in 2022

↓ -0.44 %

On May 15, 2023, the BOD of Ha Do Group Joint Stock Company approved to implement the plan for stock issuance to pay dividend in 2022 as follows:

- Stock name: Ha Do Group Joint Stock Company
- Stock code: HDG
- Stock type: common share
- Par value: VND10,000/share
- Number of shares expected to be issued: 61,151,474 shares

- Total value of issuance (at par value): VND611,514,740,000

- Issue ratio: 25%

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

- Transfer restriction: none

- Estimated time of implementation: Quarter 2/2023 or Quarter 3/2023.

9. FIR: BOD resolution on planning to issue shares for dividend payment

↓ -2.22 %

The Board resolution dated May 15, 2023, the BOD of First Real Joint Stock Company approved the plan for stock issuance to pay stock dividend for 2023 for the existing shareholders. Details are as follows:

- Stock name: First Real Joint Stock Company
- Stock code: FIR
- Stock type: common share
- Par value: 10,000 dongs
- Number of issued shares: 53,537,860 shares
- Number of outstanding shares: 53,537,860 shares

- Number of treasury shares: 0

- Number of shares expected to be issued: 10,707,572 shares

- Total value (based on par value): 107,075,720,000 dongs

- Exercise ratio: 20% (shareholder who owns 100 shares will receive 20 new shares).

- Plan to deal with fractional shares: The distributed shares will be rounded down to dozen, the fraction/al shares due to rounding down will be cancelled.

- Time of implementation: expected from May to September 2023 after being approved by the State Securities Commission of Vietnam (SSC).

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