



VIETNAM DAILY NEWS



December 8th, 2022

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Market Analysis

1. Indices extend losses on persistent selling force

Lingering selling pressure continued to weigh on the market on Wednesday, however indices pared losses on gains of some pillar stocks.

On the Ho Chi Minh Stock Exchange (HoSE), the market benchmark VN-Index fell for the second day in a row to 1,401.02 points, a decline of 7.67 points, or 0.73 per cent. It lost nearly 45 points in the previous session.

There were still more stocks clinging to the downside, of which 268 stocks on HoSE ended the trading day lower with 60 stocks hitting the biggest daily decrease of 7 per cent. Meanwhile, only 78 stocks edged higher.

Liquidity also posted a strong drop of more than 40 per cent in trading value over the last session to VND14 trillion (US\$588.2 million), equivalent to a trading volume of nearly 920.94 million shares.

The VN30-Index also finished lower to 1,047.58 points, a decrease of 6.48 points, or 0.61 per cent.

Fifteen of the 30 biggest stocks in the VN30 basket slumped, of which one stock hit the floor price, while 12 stocks increased with one registering the maximum daily gain of 7 per cent. And three stocks ended flat.

From a positive perspective, analysts at the Saigon - Hanoi Stock Exchange (SHS) said that after Tuesday's correction, the market is likely to experience other fluctuations but soon return to the uptrend in the near future, heading to a resistance zone of 1,150 points.

"For short-term investors, the corrections are opportunities to buy shares," SHS added.

Banking and manufacturing stocks continued to face sell-offs and led the general downtrend. Specifically, Vietcombank was the worst performer yesterday, down 1.88 per cent.

It was followed by PV Gas (GAS), VPBank (VPB), Masan Group (MSN) and Novaland (NVL), down in a range of 1.96-7 per cent, with NVL posting the biggest intra-day loss of 7 per cent.

Losses in other big names like Techcombank (TCB), MBBank (MBB), Hoa Phat Group (HPG), Vietnam Rubber Group (GVR) and Becamex (BCM) also pressured investors' sentiment.

The index pared losses thanks to gains in some pillar stocks, led by property developer Vingroup (VIC). The company's shares rose 7 per cent yesterday.

The HNX-Index on the Ha Noi Stock Exchange (HNX) also extended the bearish trend, down 2.87 points, or 1.35 per cent, to 209.93 points.

During the session, more than 115 million shares were traded on the northern bourse, worth nearly VND1.6 trillion.

Foreign investors continued to be net buyers on two main exchanges. Of which they net bought a large amount of over VND1 trillion on HoSE and VND26.78 billion on HNX.

Macro & Policies

2. Da Nang to begin construction of Lien Chieu Port

The port will allow access to 200,000 deadweight tonnage (DWT) cargo ships and container ships with loading capacities from 8,000 to 18,000 twenty-foot equivalent unit (TEUs) as well as 30,000DTW liquid cargo vessels in 2050.

The city's management unit of priority infrastructure projects said the port construction plan will be following the country's master plan on the seaport system until 2030, making it a key port in the central region and the third largest port system in Vietnam.

The 20-berth port, which was designed to handle from 40 million to 50 million tonnes of cargo in 2050, will be used as the main logistics centre for the north-south railway and road systems and the East-West Economic Corridor No 2 (EWEC2) connecting Thailand, Myanmar, Laos and Vietnam via Da Nang port system, the unit managing board said.

It said the first phase of the construction in 2021-25 will include two 750m berths for container ships with a loading capacity of 8,000TEUs (100,000DWT), a 7.3km shipping lane and a 1.17km water breaker dyke system.

A 6-lane 2.95km coastal road connecting the national road system and the port and a 1.2km inner port road will be built in 2022-25.

It's expected that 12 more berths for container ships and liquid cargo vessels will be added to help the port increase its capacity to 25 million tonnes in 2030.

A six-berth integrated port and an inner port along with a 90ha logistic centre will be invested in 2050, making the Lien Chieu Port an international entrance port – the third in Vietnam after Lach Huyen Port in Hai Phong city and Cai Mep-Thi Vai in Ba Ria-Vung Tau province.

The construction of the Lien Chieu Port will help ease the overloaded Tien Sa Port – which currently hosts both cruise and cargo ships.

According to the transport ministry, the development of Lien Chieu Port would turn the central city into a main international-standard logistics centre for Vietnam, ASEAN and the Asia Pacific region as the city is one of the key gateways to the East Sea from the sub-Mekong region.

3. Vietnam's tourism expects 100 million domestic tourists this year

The country recorded around 96.3 million domestic tourists from January to November, with November alone seeing 4.5 million, the Vietnam National Administration of Tourism reported.

The industry gained strong momentum in the first half of the year, with about 26.1 million tourists in the first quarter and 34.7 million in the second quarter. The figures dwindled gradually in the second half, down to 26 million in the third quarter, while October and November saw only 9.5 million visitors.

Still, with such rapid growth, the tourism authority hopes to welcome the 100th million domestic traveler this year, way higher than its expectation of 60 million in 2022.

Meanwhile, international arrivals remain low, with only 2.95 million in 11 months.

The sector had booked some VND456.7 trillion in revenue in the year through November, equivalent to 70% of the same period in 2019, thanks to the whopping number of domestic tourists.

4. Work on Tan Son Nhat airport's new terminal set to begin in December

Speaking at a press conference held after the monthly Government meeting, the Deputy Minister said it is important to have work on the airport's new terminal start soon.

The site dedicated for the new terminal is mainly national defence land. The municipal People's Committee will appraise and approve the site clearance compensation, and issue a decision of the revocation of the land.

The contractor and investor have to have enough financial resources, technical design documents and approved bidding procedures.

The investor has approved the plan of technical design and selected the contractor for the project's foundation since the end of July.

Earlier, Prime Minister Pham Minh Chinh visited the airport and called on work to start in the third quarter of this year and for the contractor to be ready for the project.

The municipal People's Committee will soon issue two decisions approving compensation and site clearance plans, and revoking land.

Construction of the project will begin one week later after the land revocation and site handover are completed. It is expected to start work from December 15 to 25.

The growth in the number of passengers after the COVID-19 pandemic has reflected a strong recovery of the economy, the aviation industry and tourism

activities. However, it caused an overload at major airports in the county such as Noi Bai in Hanoi and Tan Son Nhat in HCM City.

In recent years, the number of passengers travelling via the Tan Son Nhat airport has increased strongly to nearly double its designed capacity.

In 2020, the Government approved the project to build T3 Terminal at the Tan Son Nhat airport at a cost of nearly 11 trillion VND (448 million USD), using the Airports Corporation of Vietnam's (ACV) budget.

More than 16ha of military land is required to build the new terminal. Construction is expected to take 37 months.

Once operational, it will be able to serve up to 20 million passengers annually.

The new terminal will handle domestic flights, helping to ease pressure on T1 Terminal that is currently overloaded.

However, implementation of the project has been delayed due to some obstacles such as site clearance and procedures relating to land use planning.

The Government leader urged the construction to be completed in September 2024 at the latest.

The Ministry of National Defence was tasked to complete site clearance, and the Ministry of Transport to oversee the construction.

5. FTA Index urges localities to help enterprises take advantage of trade deals

According to the Ministry of Industry and Trade, the Government approved the ministry's proposal of developing the FTA Index, which was scheduled to be launched at the beginning of 2023.

Ngo Chung Khanh, deputy director of the ministry's Multilateral Trade Policy Department, said that after the signing of new-generation free trade agreements, like the Comprehensive and Progressive Trans-Pacific Partnership (CPTPP), the

EU – Viet Nam Free Trade Agreement (EVFTA), the UK – Viet Nam Free Trade Agreement (UKVFTA), action plans at Government and local level were issued with an aim to effectively exploit these FTAs.

Localities were paying increasing attention to the implementation of new-generation FTAs, Khanh said, adding that it took eight months for localities to complete the action plans to implement the CPTPP

while it took only four months for the EVFTA and two months for the UKVFTA.

However, to date, only 38 out of 63 provinces and cities had import and export activities with member countries of CPTPP, indicating that there was huge untapped potential to promote exports, he said.

Khanh pointed out a problem that many provinces and cities did not have detailed plans to support businesses to take advantage of FTAs and a lot of the support was just too general and did not go directly to specific industries.

As the resources of each locality were limited, the focus should be placed on one or two strategic products to build an ecosystem for the products, he said.

“If all 63 provinces and cities paid adequate attention to implementing FTAs and considered how to help enterprises better exploit FTAs, the result would be much better,” Khanh said.

He expected the FTA Index would urge provinces and cities to change their thinking and make efforts to create more favourable conditions for enterprises to grab the opportunities of the FTAs, like the impact of the provincial competitive index (PCI) which was introduced in 2005 on improving the business climate.

According to Nguyen Kieu Oanh, deputy director of Ha Noi Department of Industry and Trade, export activities of enterprises in the capital city to member countries of FTAs remained limited and mainly focused on traditional markets.

She cited statistics that Ha Noi's exports to member countries of the CPTPP, EVFTA and UKVFTA were estimated to total US\$5.88 billion in 2022, or 33.9 per cent of the capital city's total export revenue. The capital city imported around \$13.03 billion from member countries of these three trade deals this year.

Around 2,600 enterprises had export activities and 7,900 had import activities with member countries of FTAs.

Pham Ngoc Thach, deputy head of the Legal Department under the Viet Nam Chamber of Commerce and Industry (VCCI), said VCCI's survey found that enterprises had a huge demand for market access and expansion in international integration, especially in the context that Viet Nam participated in a number of new generation FTAs.

The survey also found that there was a large gap between the enterprises' demand and the ability of local State agencies, Thach said. This demonstrated enterprises' desire for State agencies to implement support for enterprises in integration more efficiently and directly to their needs.

Many enterprises faced difficulties when implementing administrative procedures for export and import, Thach said, adding that it was necessary to continue to promote reforms.

“We need to have more in-depth research and evaluation to develop effective support programmes,” he stressed.

Thach said the local governments played a very important role in creating an environment in which enterprises could take advantage of FTAs to expand exports because it was the local governments that worked directly with enterprises.

It was also necessary to develop a mechanism to enhance the coordination between central to local agencies and enterprises and industry associations to better support enterprises.

Like the PCI which helped identify problems in the business environment and raise solutions to improve the quality of the business climate in Viet Nam, the FTA Index would be a tool for localities to make innovations in thinking and promoting integration, Thach said.

6. Over VND9.6 trillion proposed for upgrading HCMC's polluted canal

The project will be carried out on the 6.6-kilometer section of the canal, from Nhieu Loc-Thi Nghe Canal to the Vam Thuat River and its three tributaries (Cau Son, Binh Loi, and Binh Trieu) with a length of 2.2 kilometers.

Some components of the project include canal dredging, setting up wastewater collection systems and building embankments and roads along the canal. Additionally, the green areas, parks and other infrastructure will be developed with a total area of around 11 hectares.

The project will be carried out in the 2023-2028 period, with an estimated investment of over VND9.6 trillion from the city's budget, including VND2.4 trillion for construction, VND6.5 trillion for

site clearance and the rest for management expenses.

The first phase, from 2021 to 2025, will require VND6.6 trillion, focusing on site clearance and compensation for the affected households, as well as investment planning, project design and work on part of the project in Go Vap District.

In the second phase, from 2026 to 2030, the city will allocate over VND3 trillion to complete the project in the districts of Binh Thanh and Go Vap.

Go Vap and Binh Thanh districts will be required to hand over the clear land for construction before August 2024 and April 2025, respectively.

7. Ministry wants lowest environmental protection tax on fuels in 2023

The ministry prepared the resolution, which maintains the environmental protection tax rates for oil products for the year 2023 at the floor levels of the current tax bracket.

This is the second revision of the environmental protection tax rates for gasoline, oil and grease in 2023 proposed recently by the Ministry of Finance.

The tax on gasoline would be reduced from VND4,000 dong per liter to the floor level at VND1,000 per liter, jet fuel from VND3,000 to VND1,000 per liter, diesel oil from VND2,000 to

VND500 per liter, heavy oil fuel from VND2,000 to VND300 per liter, grease from VND2,000 to VND300 per kilogram, and kerosene from VND1,000 to VND300 per liter.

The resolution was proposed to be valid from January 1, 2023.

From January 1, 2024, onward, environmental protection tax rates for gasoline, oil and grease will be applied in accordance with Resolution 579/2018 of the National Assembly's Standing Committee, with the tax rates returning to the upper limits.

Corporate News

8. VIC: VinFast announces public filing of registration statement for IPO

↑ 6.91%

The number of shares to be offered and the price range for the proposed offering have not yet been determined. VinFast intends to list its ordinary shares on the Nasdaq Global Select Market under the ticker symbol VFS.

Citigroup Global Markets Inc., Morgan Stanley & Co. LLC, Credit Suisse Securities (USA) LLC and J.P. Morgan Securities LLC will act as lead book-running managers and as representatives of the underwriters for the proposed offering.

BNP Paribas Securities Corp., HSBC Securities (USA) Inc., Nomura Securities International, Inc., WR Securities, LLC and RBC Capital Markets, LLC will also be book-running managers. Robert W. Baird & Co. Incorporated will act as co-manager for the proposed offering.

The proposed offering will be made only by means of a prospectus. Copies of the preliminary prospectus, when available, may be obtained from

the SEC at www.sec.gov; Citigroup, c/o Broadridge Financial Solutions, 1155 Long Island Avenue, Edgewood, NY 11717, by telephone at 800-831-9146; or Morgan Stanley & Co. LLC, Attention: Prospectus Department, 180 Varick Street, 2nd Floor, New York, NY 10014.

A registration statement relating to these securities has been filed with the SEC but has not yet become effective. These securities may not be sold, nor may offers to buy be accepted, prior to the time the registration statement becomes effective.

In the press release, the company stressed that the release does not constitute an offer to sell or the solicitation of an offer to buy any securities, and shall not constitute an offer, solicitation or sale in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of that jurisdiction.

9. TCB: Plan for purchasing shares of TCBS

↓ -2.40%

Vietnam Technological and Commercial Joint Stock Bank approved to collect shareholders' opinions written regarding the purchase of shares in the private placement of Techcom Securities Joint Stock Company (TCBS). Details are as follows:

- Stock name: Techcom Securities Joint Stock Company (TCBS)
- Stock type: common share
- Par value: VND10,000/share

- Charter capital before the issuance: VND1,126,140,700,000
- Outstanding volume: 112,614,070 shares
- Expected offering volume: 217,614,070 shares
- Expected offering price: VND95,600/share
- Total value (at par value): VND1,050,000,000,000
- Total value (at the offering price): VND10,038,000,000,000

- Charter capital after the issuance:
VND2,176,140,700,000

- Transfer restriction: 01 year from the
ending of the offering.

- Number of investors: 01

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