



# VIETNAM DAILY NEWS



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**Table of content**

## **Table of content**

- 1. Shares drop slightly on the slump of large-cap stocks**
- 2. VN export 1.7 million tonnes of rice during Q1**
- 3. Airlines reopen China-Da Nang air routes**
- 4. Steel prices inch down**
- 5. Ministry proposes extension of tax payment deadline**
- 6. Bac Giang hastens public investment projects, industrial parks**
- 7. FTAs and trade promotion key to boosting export**
- 8. KDC: Plan for stock issuance under ESOP**

## Market Analysis

### 1. Shares drop slightly on the slump of large-cap stocks

Stocks dropped slightly yesterday, pressured by the slump of large-caps in the banking stock group.

On the Ho Chi Minh Stock Exchange (HoSE), the VN-Index lost 0.11 per cent to close at 1,069.71 points. The index had lost 0.92 per cent to close Thursday at 1,070.91 points.

Market breadth was negative, with 159 gainers and 219 decliners.

Some 646 million shares were traded on the southern exchange, worth VND10.8 trillion (US\$460.6 million).

The VN30-Index, which tracks the performance of the 30 largest stocks by market capitalisation and liquidity on HoSE, stayed flat at 1,078.88 points. In the basket, 12 stocks climbed, four stayed flat, and 14 slid.

Losers in the VN-30 basket included PetroVietnam Gas JSC (GAS), Hoa Phat Group (HPG), Mobile World Group (MWG), Vinhomes (VHM), Vingroup (VIC), Vincom Retail (VRE).

Banking stocks suffered from strong selling pressure during the final trading minutes of the session. Those slumping included Vietinbank (CTG), Tien Phong Bank (TPB), Vietcombank (VCB), VPBank (VPB), National Commercial Joint Stock Bank (NVB), Military Bank (MBB), Techcombank (TCB), and Bank for Investment and Development of Vietnam (BID).

Asia Commercial Bank (ACB) and Sacombank (STB) were the only two gainers.

“VN-Index suddenly dropped at the end of the session after a day of struggling in the range of 1,078-1,080,” said BIDV Securities Co. “The index ended the session at 1,069.71, down more than 1 point compared to yesterday.”

“Regarding the transactions of foreign investors, today they were net sellers on the two exchanges of HoSE and HNX. In the next trading sessions, VN-Index may continue to experience shaking sessions, 1,060-1,065 will be the next support area if the index continues to decrease in line with the movement of VN30. It is recommended that investors trade cautiously in the coming sessions.”

Foreign investors net sold VND219.9 billion on HOSE, including Khang Dien House (KDH) with VND44.19 billion, Sacombank (STB) with VND40.43 billion, Dat Xanh Group (DXG) with VND39.88 billion. They were net sellers on HNX with a value of VND15.05 billion.

On a sector basis, 23 out of 25 sector indices on the stock market lost ground, including wholesale, construction, rubber production, IT and logistics, agriculture, real estate, food and beverage, retail, seafood production, and plastic and chemical production.

The HNX-Index on the Ha Noi Stock Exchange (HNX) rose 0.08 per cent to close yesterday at 211.60 points.

Over 103.7 million shares were traded on the northern exchange, worth VND1.4 trillion.

## Macro & Policies

### 2. VN export 1.7 million tonnes of rice during Q1

Viet Nam exported 1.7 million tonnes of rice during the first quarter of 2023 worth over US\$900 million, a 19 per cent increase in quantity and 30 per cent increase in value compared to the same period in 2022.

These latest figures were released in a latest report by the General Department of Customs.

According to the Ministry of Industry and Trade (MoIT), Vietnamese rice has seen some success in improvements in quality and demand over the last several years.

The majority of exported rice came from the Mekong Delta, with the rest of the country's rice production centres mainly serving the domestic market.

Le Thanh Tung, deputy head of the plant cultivation department under the Ministry of Agriculture and Rural Development (MARD) said rice production this year for the Mekong Delta alone is projected to reach 24 million tonnes. Consumption for the Delta and HCM City, Viet Nam's most populous city, will stay around 11 million tonnes, leaving 13 million tonnes for export.

Of which, premium-quality rice for export accounts for 3 million tonnes, specialty rice 2.1 million tonnes and regular rice 1 million tonnes.

Vietnamese rice will likely continue to be sought after in the second quarter of the year as demand has been on the rise in major markets including the

Philippines, China and Africa, said the Vietnam Food Association (VFA).

Nguyen Ngoc Nam, president of the VFA, said Vietnamese rice has been fetching good prices on the international market despite a gloomy outlook for the global economy as countries look to stock up on food for uncertain times ahead.

In addition, major free trade agreements including the European Union - Vietnam Free Trade Agreement (EVFTA) have seen tariffs on Vietnamese rice reduced by as much as 175 euros per tonne, giving Vietnamese premium rice an advantage in the European markets.

As demand soars, exporters have been trying to purchase additional amounts from farmers to maximise efficiency and profit. However, many have voiced concerns over a lack of capital.

Phan Van Chinh, head of MoIT's import/export department, said the ministry has been working closely with exporters to find solutions to minimising logistic costs and dealing with import/export protocols in international markets.

On the other hand, the ministry said it is to keep a close watch on the amount of rice being exported to ensure the country's food security.

In an earlier development, the State Bank of Vietnam (SBV) has ordered commercial banks to review and streamline the borrowing process for rice traders to help them access additional capital sources.

### 3. Airlines reopen China-Da Nang air routes

Okay Airways and Pacific Airlines will begin their flights connecting the central city with Hunan, China and Muan, Korea from late of April, increasing number of airlines restarting operations at the Da Nang International Airport to 28.

A source from the Da Nang International Terminal company said Okay Airways plans to reconnect Da Nang and Hunan, China from May 2 with three regular flights per week, while Pacific Airlines will restart chartered flights between Muan, Korea and Da Nang with 30 flights from April 28 to October 9.

AHT also said the national flag carrier (VNA), Vietnam Airlines will resume Da Nang-Guangzhou, China, flights from April 24 to October 27 with two flights per week on Monday and Friday.

The airlines will reconnect Da Nang-Shanghai and Da Nang-Chengdu on Thursday and Sunday between April and October.

VNA, which covers three of 16 international routes connecting Da Nang and global destinations, has already resumed four flights, from Da Nang to Bangkok, Thailand and daily Da Nang-Incheon, Korea.

It has reopened the Narita-Da Nang route on March 28.

Da Nang has 24 direct air routes, of which 16 are internationals, hosting an average of 100 and 112 flights per day since last March.

The Da Nang International Airport terminal, which is designed to handle 28 million passengers and 200,000 tonnes of cargo by 2030, has earned the four-star standard by the SkyTrax – a consult on airline and airport star rating – making it as the only airport in Viet Nam in the list of top 23 four-star airports in Asia.

Deputy general director of AHT, Do Trong Hau said the terminal has drastically improved service quality as well as speeding up digitalisation of procedure since 2021.

The company, in co-operation with Hoi An Art Troupe, introduces traditional art performance in serving passengers at the boarding lobby on Friday evening.

#### 4. Steel prices inch down

Local steelmaker Hoa Phat Group, which holds a 40% share of the nation's construction steel market, now quotes its rebar D10 CB300 at VND15.89 million per ton and rolled steel CB240 at VND15.66 million per ton, down VND100,000 and VND300,000, respectively.

Steelmaker Viet Y also reduced its steel price by the same margin. It now sells rebar D10 CB300 for VND15.86 million per ton and rolled steel CB240 for VND15.61 million per ton.

Hoa Phat attributed the price cuts to steel billet prices and input materials dipping, while Viet Y said the price was revised to stay aligned with market demand.

Hoa Phat reported a 42% year-on-year plunge in raw steel output in the year's first quarter, at 1.2 million tons. Its sales of construction steel, steel billets and hot rolled coils plummeted 37% over the same period last year, at 1.37 million tons.

The market demand is likely to remain downbeat in the coming months, but steel consumption is expected to surge toward the end of the year thanks to the Government's direction to speed up disbursement for public investment projects and boost the social housing market, said Doan Danh Tuan, vice chairman of the Vietnam Steel Association.

#### 5. Ministry proposes extension of tax payment deadline

The Ministry of Finance on Wednesday submitted a draft decree on extending the deadline for payment of value-added tax, corporate income tax (CIT), personal income tax (PIT) and land lease fee in 2023 to the Government for consideration.

The ministry said the extension would support enterprises to overcome difficulty and have resources to invest in production and business, adding that the extension would not affect the balance of the State budget at both central and local levels.

Under the proposal, the extension would be given to enterprises, business households and individuals listed in Article 3 of the Government's Decree No 34/2022/ND-CP dated May 28, 2022, excluding credit institutions and branches of foreign banks.

For value-added tax, the ministry estimated that a total sum of VND64 trillion - 65 trillion (US\$2.74 billion - \$2.78 billion) would be given an extension to the end of this year.

For business households and individuals, the ministry said that the value-added tax and PIT payment would be extended to December 20, 2023, with a total sum of around VND272 trillion.

The ministry also proposed to give a six-month extension to 50 per cent of the land lease fee of 2023, with a total sum of around VND3.5 trillion.

The ministry said that from the fourth quarter of this year to date, the world and domestic economic and financial developments became increasingly complicated, posing challenges to the domestic economy and operation of enterprises and creating huge pressure on macroeconomic stability.

As difficulties were forecast to continue, the ministry said it was necessary to support enterprises, business households and individuals, adding that the extension would be an important solution.

Implementing Decree No 34/2022/ND-CP, as of February 1, 2013, the total taxable which had been given extension was more than VND100.15 trillion.

## 6. Bac Giang hastens public investment projects, industrial parks

The list of projects includes the Medical Centres of districts Yen Dung, Luc Ngan and Viet Yen; the Cancer Hospital; those on renovating and upgrading Provincial Road 292, Provincial Road 29, Provincial Road 298; roads and bridges connecting Hiep Hoa district with Pho Yen town; a road linking National Highway 37-National Highway 17-Provincial Road 292; Ha Bac 2 road and a bridge connecting Branch Line 2, Ring Road IV with Yen Phong Industrial Park and National Highway 18, Bac Ninh province; Nhu Nguyet bridge; the Chan sluice pumping station; and the A Lu bridge section of the GMS2 project.

The province is focused on speeding up investment and development of industrial parks, aiming to put them into operation soon. The province will pay attention to site clearance and compensation works at industrial parks of Viet Han, Quang Chau, Hoa Phu, Song Khe - Noi Hoang (south) and Yen Lu and Tan Hung new industrial zones, and Expanded Hoa Phu Industrial Park.

The province will guide investors in procedures to propose the establishments and expansion of

industrial parks including the 300-hectare Yen Son - Bac Lung industrial park in Luc Nam district, the 125-hectare Phuc Son Industrial Park in Tan Yen district and the expanded 198-hectare Viet Han Industrial Park in Viet Yen district.

Bac Giang targets to complete investment procedures for new projects to be started this year, especially key and urgent projects of the province such as the roads connecting Provincial Road 295 and National Highway 37 in Lang Giang district; the construction of a new inter-agency building of Bac Giang province; the expansion of Son Dong district health centre; and the provincial center for disease control.

In the first quarter of this year, the province rolled out several major projects including ten public investment projects, two Public Private Partnership (PPP) projects, and nine projects with non-State capital investment.

Some of the projects including a road connecting National Highway 37 - National Highway 17 - Vo Nhai (Thai Nguyen), Dong Viet bridge and

approaching road in Yen Dung district, the Bac Giang Cultural - Exhibition Centre, a new inter-agency building in Bac Giang province and the Tay Yen Tu Spiritual - Ecological Tourist Area project.

Notably, the Tay Yen Tu Spiritual - Ecological Tourist Area project was approved in 2016 and its investment plan was adjusted in 2021. The project covering about 136.36 hectares has a total investment capital of nearly 1.5 trillion VND. Its construction is expected to be completed in the fourth quarter of 2024.

By now, the project investor has coordinated with Son Dong People's Committee to compensate and clear the area of 85 ha. The first phase of the project was put into operation in 2019.

In March, the province established a number of new industrial complexes with total investment of

more than 1.87 trillion VND (78.2 million USD), according to local authorities.

They include the Phuong Son - Dai Lam, Phuong Son, and Thanh Son industrial complexes, which cover a total of 161 ha in Luc Nam, Lang Giang, and Luc Ngan districts.

Construction of infrastructure will be conducted from March to December.

These new industrial facilities are expected to attract investment in a wide range of sectors, such as electronics, garments and textiles, farm produce processing, supporting industries, and manufacturing.

Under its master plan on improving investment efficiency by 2030, the province will allocate more than 10,000 hectares to industrial development.

## 7. FTAs and trade promotion key to boosting export

Taking full advantage of Viet Nam's numerous free trade agreements (FTAs) and rolling out measures to promote trade are keys to boosting the country's export in the future, said the Ministry of Industry and Trade (MoIT).

According to the ministry, the Southeast Asian economy's export picked up in March, reaching US\$29.57 billion, a 13.5 per cent increase from February. Total exports during the first three months of the year dropped by 14.8 per cent compared to last year.

Domestic firms were hit the hardest, with a drop of 17.4 per cent compared to foreign firms, who also experienced a drop of 10 per cent.

The ministry said the situation wouldn't likely improve soon as global demand for goods slows down, especially in major markets such as the EU and the US. Competition has been on the rise since the reopening of the Chinese market.

Viet Nam's agriculture and aquaculture export for the first quarter of 2023 is projected to reach \$6.86 billion, a 7.5 per cent decrease from last year.

Seafood firms have voiced concerns over a lack of orders, a stark difference from what is usual for this time of year.

"We have been hit hard by both weaker demand and a strengthening dong against the dollars," said a representative from the seafood industry.

To Tuong Lan, deputy director-general of the Vietnam Association of Seafood Exporters and Producers (VASEP), said orders from all markets were fewer during the first three months of the year.

Lan said a global credit crunch hindering retailers from stocking up, on top of increased competition, has resulted in fewer orders this year.

Industrial sectors also reported lower export, with just \$67.5 billion in value during the last three months, a 13.1 per cent and mineral exports

dropped by 3.1 per cent compared to the same period last year.

On the other hand, Vietnamese rice has seen some success in both raising export quality and prices. The country exported nearly 70 per cent more rice in the first quarter of 2023 compared to the same period last year.

The US remained Viet Nam's largest buyer, with a total value of goods imported at \$20.57 billion.

Do Ngoc Hung, Viet Nam's trade representative in the US, said Viet Nam-US trade would likely continue to grow strong for the foreseeable future with the two countries seeking out new products and services, removing trade barriers and work together on products safety and standards.

Hung said his office has been holding regular working sessions to help connect Vietnamese and US businesses while keeping Vietnamese exporters up-to-date with the US's trade policies.

During the first quarter of 2023, Viet Nam imported \$75.1 billion in goods and services, a 14.7 per cent decrease year-on-year.

The country maintained a trade surplus of \$650 million in March to bring the first quarter's trade surplus to \$4.07 billion, a marked improvement over the same figure last year at \$1.87 billion.

The ministry said Vietnamese seafood and textile products would likely face increased competition in many of their major markets as strong competitors, including Bangladesh, Cambodia, El Salvador, India, and Indonesia, have managed to sign FTAs with said markets.

The ministry called on firms to make greater efforts to meet consumer demand in foreign markets, start additional marketing campaigns, and improve product safety and quality.

## Corporate News

### 8. KDC: Plan for stock issuance under ESOP

↑ 0.17%

The Board resolution dated April 04, 2023, the BOD of KIDO Group Corporation approved to implement the plan to issue shares under ESOP with details as follows:

- Stock name: KIDO Group Corporation
- Stock code: KDC
- Stock type: common share
- Par value: VND10,000/share
- Charter capital before the issuance: VND2,797,413,560,000
- Number of shares issued: 279,741,356 shares
- Number of outstanding shares: 257,224,010 shares
- Number of treasury shares: 22,517,346 shares
- Number of shares expected to be issued: 10,064,960 shares
- Total value of issuance (at par value): VND100,649,600,000
- Estimated issue rate: 3.9%
- Issue price: VND15,000/share
- Estimated mobilized amount: VND150,974,400,000
- Transfer restriction: 01 year from the ending of the issuance
- Time of implementation: expected in Quarter 2/2023, after being approved by the State Securities Commission of Vietnam (SSC).



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