



VIETNAM DAILY NEWS



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Market Analysis

1. Market corrects on profit-taking activities

Shares retreated from the morning trade on Thursday, weighed by strong selling activities after the VN-Index surpassed the key psychological level of 1,100 points.

The market benchmark VN-Index on the Ho Chi Minh Stock Exchange (HoSE) ended the recent rallies to trade lower at 1,101.32 points, down 8.22 points, or 0.74 per cent.

It had gained more than 34 points in the last five days.

The breadth of the market switched to the negative zone, with 216 stocks slumping, while 127 ticker symbols finished higher.

Liquidity, however, soared to the highest in the last six months. Particularly, the trading value on the southern bourse was nearly VND23.7 trillion (US\$1 billion), equivalent to a trading volume of more than 1.3 billion shares.

Many stocks in the VN30 basket, which tracks the 30 biggest ticker symbols in market capitalisation and liquidity on HoSE, also performed poorly.

The VN30-Index fell 13.22 points, or 1.2 per cent, to close the day at 1,092.46 points. Up to 23 stocks in the VN30 basket dipped, six traded up and one stayed flat.

Recent good performance of the market triggered stronger profit-taking sentiment, dragging shares across all sectors down.

Data compiled by financial website vietstock.vn showed that banking stocks continued to dominate the market's general trend. BIDV (BID)

posted the biggest loss in market cap on Thursday, leading the downtrend with a fall of 1.47 per cent.

It was followed by Techcombank (TCB), VPBank (VPB), Sacombank (STB), Vietnam International Commercial Joint Stock Bank (VIB), MBBank (MBB), and Asia Commercial Joint Stock Bank (ACB). The stocks declined at least 1.14 per cent.

Securities companies also witnessed negative performance today, with SSI Securities Corporation (SSI) down 5.97 per cent, VNDirect Securities Corporation (VND) down 5.97 per cent, Sai Gon - Ha Noi Securities JSC (SHS) lost 3.15 per cent, and Ho Chi Minh City Securities Corporation (HCM) plunged 3.51 per cent.

Also weighing on the market's bearish sentiment, stocks of appealing sectors, like manufacturing and real estate, faced a strong sell-off. Popular names such as Novaland (NVL), DIC Group (DIG), Kinh Bac City Development Holding Corporation (KBC), Vinamilk (VNM), Duc Giang Chemicals (DGC), Hoa Sen Group (HSG), and Vietnam Rubber Group (GVR), all posted big falls of more than 1 per cent.

On the Ha Noi Stock Exchange (HNX), the HNX-Index ended its long rising streak of 11 sessions on Thursday. It traded at 226.78 points, a decrease of 3.55 points, or 1.54 per cent.

Amid the correction seen on both main exchanges, foreign capital continued to run away from the market. Accordingly, foreign investors net sold more than VND316 billion on HoSE, but net bought a value of VND46.74 billion on HNX.

Macro & Policies

2. MARD calls for early signing of protocol to boost farm produce trade with China

It said that to implement the common perceptions between the two countries' leaders as identified in the 2022 joint statement on continuing to enhance the comprehensive strategic cooperative partnership, the MARD sent a delegation to work with the administrations and customs departments of the Chinese provinces of Guangxi and Yunnan from May 29 to June 2, aiming to promote cooperation and increase the value of agricultural products traded via the two countries' provinces sharing the land border.

The Vietnamese delegation and the customs departments of Guangxi and Yunnan agreed to coordinate with each other to propose China Customs soon finalise procedures for signing a protocol with the MARD on food safety, quarantine, and examination requirements for aquatic exports and imports between the two countries.

The MARD suggested China Customs permit more fruits, aquatic species and products of Vietnam to enter this country, license more Vietnamese aquatic product exporters that meet China Customs' standards as confirmed by Vietnamese authorities, and allow raw aquatic products to be exported via border gates of Yunnan to ease customs clearance pressure on border gates and create the best possible conditions for businesses.

It also proposed China Customs order the customs departments of Guangxi and Yunnan increase the sharing of information about customs clearance procedures, tackle bottlenecks in a timely manner to improve the customs clearance capacity, hold rotary annual meetings in November between the Chinese provinces' customs departments and relevant agencies of Vietnam, and assign units to act as liaison bodies.

3. Lang Son's border gates speed up customs clearance

Currently, Huu Nghi border gate handles customs clearance for about 750 vehicles per day while its area for those carrying imports/exports can accommodate about 450 vehicles. So, vehicles are directed to non-tariff areas which have room for about 800 to 1,000.

Meanwhile, from May 26 to June 5, over 630 trucks carrying durian to China went through the Tan Thanh border gate.

On average, the border gate provides customs clearance for 300 vehicles per day while it can deal with about 1,100 - 1,200 at maximum. If the vehicles carrying agricultural products and fruits exceeds the capacity, they will be directed to a non-tariff area that can deal with about 100.

It is forecast that the demand for goods trading through Huu Nghi and Tan Thanh border gates will

increase sharply as Vietnam and other countries are entering the peak time in the harvest season of fruits and agricultural products.

Quarantine authorities were asked to strengthen inspection and control of exports, especially Vietnamese fruits and agricultural products, to ensure compliance with the regulations of the two countries.

The provincial Industry and Trade Department was asked to continue overseeing the situation and removing difficulties and obstacles in import and export activities, especially in terms of mechanisms and policies. The department was requested to update the situation and consult provincial authorities and businesses about goods volumes transported to border gates.

Businesses were called on to shift to export products to China via official channels.

Organisations, individuals, and businesses are urged to take the initiative in business plans, fulfill financial obligations, and continue to improve infrastructure to meet import and export demand.

Ha requested agencies and units to strictly follow the directions of the provincial Party Committee and

People's Committee on improving the business investment environment, preventing corruption and negativities at the border gate, and raising the responsibility of staff.

In the first five months of 2023, import and export activities at five border gates in the province were reported to run smoothly. On average, over 1,1000 vehicles traversed the border gates daily. Total import-export turnover topped 17.44 billion USD.

4. Ho Chi Minh City speeds up value-added tax refunds

Deputy Director of the department Nguyen Tien Dung said almost all businesses that submitted sufficient dossiers have received tax refunds.

In the city, more than 80% of businesses get tax refunds first and will be checked later. The remaining 20% will be inspected first before getting the refund.

Most of the businesses have been receiving tax refunds, while only a few have not as their dossiers are being verified.

Dung also said that the businesses that have not yet got the VAT refund are mainly in the high-risk

groups such as those in rubber, wood chips, or cassava industries.

The city's tax department has been strengthening communications campaigns on tax refund policies, dossiers and procedures needed so that businesses can properly prepare tax refund applications, which helps create favourable conditions for tax authorities.

In addition, the department has also urged units to strengthen inspection and post-refund examination to promptly detect the use of illegal invoices or improper use of invoices.

5. US extends investigation into wooden cabinets from Vietnam

The final conclusion is expected to be issued on August 17, it said.

Previously, the DOC on March 17 issued a preliminary determination on the investigation with the allegation that the items had components such as doors, drawer fronts, and wooden frames produced in China and were combined with parts manufactured in Vietnam. Therefore, they are subject to trade remedies the US is levying on similar products of China.

According to TRAV, since April 2020, the US has imposed anti-dumping and subsidy duties on wooden cabinets originating from China with anti-dumping duties ranging from 4.37% to 262.18% and anti-subsidy duties ranging from 13.33% to 293.45%.

On May 24 and June 7, 2022, the DOC initiated the investigation into the product scope and anti-circumvention of wooden cabinets imported from Vietnam.

6. Vietnam's coffee exports hoped to earn over 4 billion USD this year

In the Central Highlands region, the major coffee production hub of Vietnam, coffee prices have risen strongly last week and hit a record in three months.

On June 7, domestic coffee prices varied from 61,200-61,800 VND (2.61-2.63 USD) per kilo, up 500 VND over the previous day.

Meanwhile, the average price of exported coffee in the first five months of this year was 2,295 USD per tonne, up 2.4% over the same period last year, which means coffee export revenue will be high in the rest of the year.

Vice President of the Vietnam Coffee and Cocoa Association (Vicofa) Do Ha Nam held that the rise in coffee prices is due to a shortage in supply as a result of extreme weather conditions. This year, coffee output is predicted to fall 10-15%, while demands for the product is high.

Along with export, many localities have focused on boosting the sustainable development of the domestic market, with the coming into being of many Vietnamese coffee brands.

Last year, Dak Lak province in the region saw more than 250 coffee processing facilities established to provide products for the domestic and foreign markets.

Le Duc Huy, General Director of Simexco DakLak Ltd, said that last year, the firm shipped abroad 101,000 tonnes of green coffee, and sold about 25,000 tonnes in the domestic market.

Under a project to develop Vietnamese specialty coffee in the 2021-2030 period that was approved by the Ministry of Agriculture and Rural Development, in 2025, the area of specialty coffee is expected to account for 2% of the country's total coffee area, with an output of 5,000 tonnes. The figures are hoped to increase to 3% and 11,000 tonnes in 2030.

Huy said that Vietnamese exporters are switching their focus from quantity to quality to better meet the demands of importers' demands.

7. Tan Son Nhat Airport prepares for summer peak season

The figure represents an increase of 6.64% in the number of flights and 7.6% in the number of passengers compared with the same period last year.

A representative of Tan Son Nhat International Airport said the airport has prepared plans to meet the high demand.

Accordingly, all units have been asked to pay attention to monitoring the flight schedule, frequency and density of flight operations in each time frame and arrange personnel to ensure airport services.

They have been required to devise a plan to prevent flooding as well as how to handle it in case bad weather affects flights, the representative said.

The airport also arranges youth union members to support passengers at the screening area and passenger hall of the domestic terminal during peak hours.

The number of passengers going through Tan Son Nhat International Airport has surged in recent years to nearly double its designed capacity.

The airport currently has two terminals, with T1 serving domestic flights and T2 handling international flights. T1 can serve up to 15 million passengers a year and T2, 10 million.

The airport was designed to handle 25 million passengers a year by 2020, but it has been receiving almost 40 million a year since 2017.

Corporate News

8. CTD: Trung Thuy, Coteccons start construction of 2 high-end projects in HCM City, Da Nang

↓ -0.15 %

Coteccons Construction Joint Stock Company and developer Trung Thuy Group have broken ground for the mixed-use Lancaster Legacy building in HCM City's District 1.

They completed building five basements and commercial floors in mid-March.

Situated on Nguyen Trai Street, the 8,827sq.m, VND3.27 trillion (US\$140.3 million) high-end development will have 38 floors and five basements with 749 luxury apartments, officetels,

office space and commercial and entertainment facilities.

Coteccons and Trung Thuy Group have also started works on the Nam O Resort in Da Nang City's Nguyen Tat Thanh Street.

The 35ha beach resort will cost VND5.3 trillion (\$227.3 million) and have villas, a five-star hotel, tourist apartments, swimming pools, a floating restaurant, clubhouse, and other facilities.

9. ASM: TotalEnergies ENEOS expands in Vietnam through partnership with Sao Mai Solar

↑ 6.60 %

Additionally, the two entities have signed an MoU to foster collaboration in the renewable energy sector, commencing with the development of further rooftop solar projects for Sao Mai Group's industrial facilities.

The 3.4 MWp portfolio of rooftop solar PV projects have been installed on the roofs of the Asia Fish Oil and IDI International Development and Investment JSC factories located in the Vam Cong Industrial Cluster in the Mekong Delta province of Dong Thap.

It currently generates 4.4 gigawatt hours of renewable energy each year, reducing more than 3,500 tons of CO2 emissions annually – equivalent to planting over 52,500 trees.

As a leading provider of solar solutions in the region, TotalEnergies ENEOS will leverage its international technical expertise and operate this portfolio efficiently to serve its business-to-business (B2B) customers.

Elodie Renaud, director of TotalEnergies ENEOS Renewables Distributed Generation Asia stated, "We are very pleased not only with this new addition to our portfolio of solar projects in Vietnam, but also with the demonstration of a common willingness for a long-term partnership through the signed MoU. These highlight TotalEnergies ENEOS' commitment to further growing its distributed generation activities in the Asia-Pacific region and supporting more B2B customers in meeting their sustainable development goals."

Established in 2022, the company is a 50/50 joint venture between TotalEnergies and ENEOS to develop on-site B2B solar distributed generation across Asia. It is based in Singapore, with a plan to develop 2GW of decentralised solar capacity over the next five years.

TotalEnergies is a global multi-energy company that produces and markets power sources with a global portfolio of 2GW of solar distributed generation in operation, under construction, or under development.

ENEOS is expanding its distributed generation business with one of the largest renewable power generation capacities in Japan. In ENEOS Group's long-term vision to 2040, it places next-generation energy supply and community services, including distributed power sources, as one of its growth businesses.

Founded in 2017, Sao Mai Solar is a member of the Sao Mai Group. The company has invested in the An Hao PV plant, boasting a capacity of 210MWp, situated in the Mekong Delta province of An Giang and the Europlast 50MWp solar power plant in Long An province.

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