

07/12/2021 13:23:53 [BN] Bloomberg News

## Vietnam’s Stock Benchmark Tanks as Nation Tightens Virus Curbs

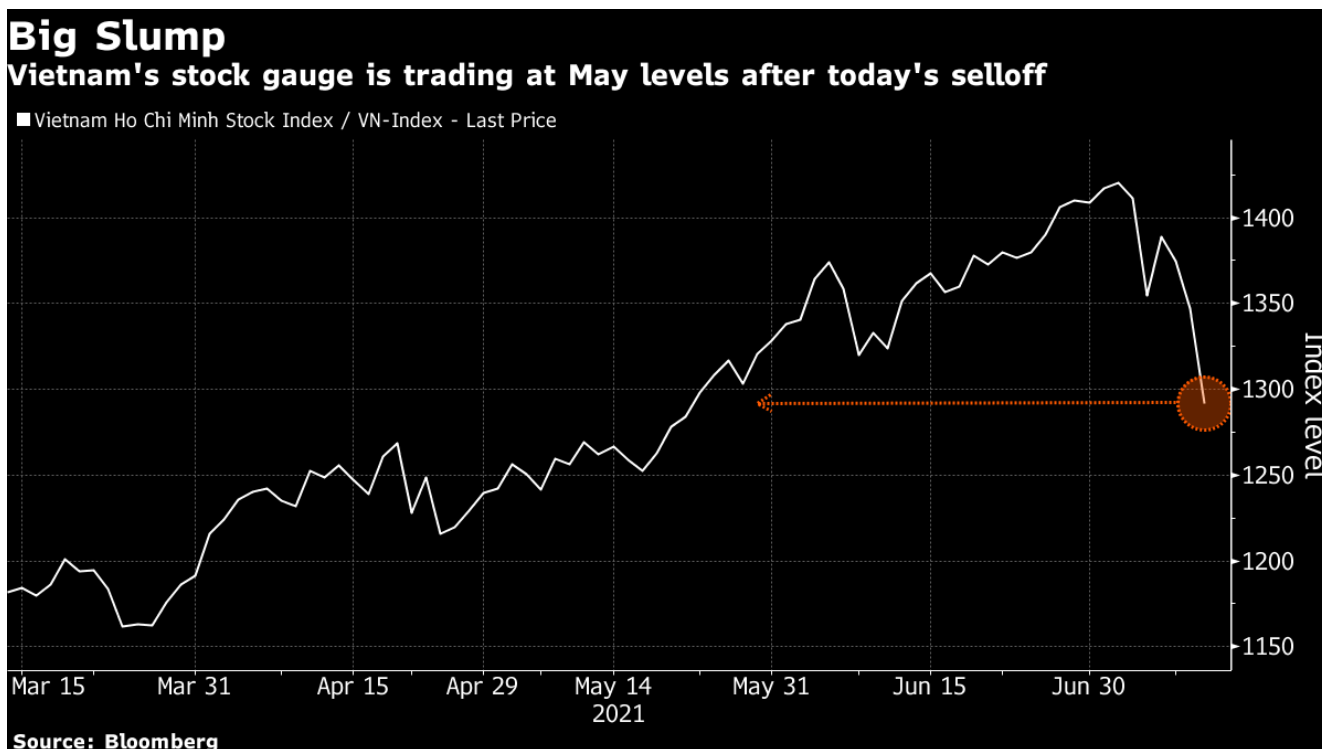
- VN Index falls by as much as 5.5%, most since Jan. 28
- Covid 19 infections reported in the region’s 12 provinces

By Mai Ngoc Chau and Ishika Mookerjee

(Bloomberg) -- Vietnam’s benchmark stock index dropped as much as 5.5% as authorities on Monday ordered more anti-virus measures across the nation’s southern region.

The decline, the biggest one-day plunge since Jan. 28, comes after other localities followed last week’s stay-home order in the nation’s commercial hub of Ho Chi Minh City with similar restrictions.

“With surging Covid-19 cases, the expanded restrictions to curb virus spreads have dented investor sentiment regarding the pace of economic recovery in Vietnam,” said Jun Rong Yeap, a market strategist at IG Asia Pte.



In Binh Duong province, home to 30 industrial parks with factories of global suppliers, stay-home orders were issued for seven of nine localities as virus infections topped 1,500 cases, according to the provincial government’s website.

Authorities in the nation’s rice bowl of Mekong Delta, which was almost free from Covid infections in previous outbreaks, put in place similar anti-virus measures. Covid infections have been reported in the region’s all 12 provinces and Can Tho City with the total exceeding 1,700 cases as of Monday morning, according to data from

This report may not be modified or altered in any way. The BLOOMBERG PROFESSIONAL service and BLOOMBERG Data are owned and distributed locally by Bloomberg Finance LP ("BFLP") and its subsidiaries in all jurisdictions other than Argentina, Bermuda, China, India, Japan and Korea (the "BFLP Countries"). BFLP is a wholly-owned subsidiary of Bloomberg LP ("BLP"). BLP provides BFLP with all the global marketing and operational support and service for the Services and distributes the Services either directly or through a non-BFLP subsidiary in the BLP Countries. BFLP, BLP and their affiliates do not provide investment advice, and nothing herein shall constitute an offer of financial instruments by BFLP, BLP or their affiliates.

the health ministry.

Vietnam Plans to Vaccinate 70% of Nation by 1Q 2022

Ho Chi Minh City issued a 15-day stay-home order beginning July 9 that limited residents' movements to going to work deemed essential and seeking food, medicines, or urgent medical assistance. The health ministry on Saturday forecast the city may see 10,000 more local infections in coming days, according to the government website.

The nation has registered almost 27,000 local infections -- with more than half in Ho Chi Minh City -- and more than 80 deaths in its latest outbreak that began in late April.

"The current rise in cases and social distancing requirements is a trigger for some profit-taking by investors after a very strong run," said Ruchir Desai, a fund manager at Asia Frontier Capital Ltd. With gains of about 17% this year, the VN-Index is the second-best performer among major national benchmarks across Asia Pacific.

"The ongoing market weakness is an excellent opportunity to pick up quality names as the long-term structural growth story of Vietnam is very much still in place," Desai added.

(Adds chart and Ruchir Desai's comments in the final paragraphs.)

To contact the reporters on this story:

Mai Ngoc Chau in Ho Chi Minh City at [cmai9@bloomberg.net](mailto:cmai9@bloomberg.net);

Ishika Mookerjee in Singapore at [imookerjee@bloomberg.net](mailto:imookerjee@bloomberg.net)

To contact the editors responsible for this story:

John Boudreau at [jboudreau3@bloomberg.net](mailto:jboudreau3@bloomberg.net)

Catherine Ngai, Lianting Tu