



# VIETNAM DAILY NEWS

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## Market Analysis

### 1. VN-Index rises despite selling pressure

On the Ho Chi Minh Stock Exchange, the VN-Index inched up 0.01 per cent to 975.69 points.

Liquidity was modest with 170 million shares worth a combined VND3.9 trillion (US\$165 million) traded on the southern bourse.

The VN-Index gained 1.07 per cent on Wednesday to end the day at 975.64 points.

Fourteen of the 30 largest shares by market capitalisation on the Ho Chi Minh Stock Exchange lost value while 10 increased.

Securities, mining, banking, construction and construction materials were among the worst-performing industries, but their indices still managed to rise by between 0.3 and 0.6 per cent, data on vietstock.vn showed.

On the positive side, some large-cap stocks such as Vinhomes (VHM), Vingroup (VIC), Vinamilk (VNM), The Cotec Construction Joint Stock Company (Coteccons or CTD) and Petro Vietnam Gas JSC (GAS) maintained good movement and contributed to the uptrend.

VHM increased by 1.2 per cent and VIC increased by 1.4 per cent.

On the Ha Noi Stock Exchange, the HNX-Index edged down 0.32 to 106.09 points on Thursday.

Around 30.4 million shares were traded on the northern bourse, worth VND430 billion.

### 2. VN-Index moves sideways on May 16

After a five-day winning streak, VN-Index found it hard to conquer the level of 980 points at the close.

Given 122 stocks rising and 160 others losing, VN-Index rose slightly at 0.05 points, or 0.01%, at 975.69 points. The southern bourse saw over 170 million shares worth VND3.85 trillion changing

The index rose 0.7 per cent the previous day to close Wednesday at 106.43 points.

On Thursday, foreign investors net-sold VND130.54 billion on the HOSE, focusing on Vinhomes (VHM) (VND37.2 billion), Vincom Retail (VRE) (VND15.8 billion) and Hoa Phat Group HPG (VND15.3 billion). They bought a net value of VND42.93 billion on the HNX.

According to Bao Viet Securities Company, the VN-Index is expected to post gains in the last session of the week. The index is likely to head towards the resistance zone of 980-983 points in the next several sessions.

"This zone will determine market's ability to prolong the recovery trend in the short term," BVSC wrote in its daily report. "The market may experience choppy trading and adjusting pressure especially when foreign investors maintain a net selling trend. We leave open the possibility that market's recent gains are only technical."

Stock exposure, therefore, should be limited at 45 per cent of the portfolio at most. Investors could partly sell stocks that have posted strong increases in recent sessions. Investors should not chase stocks at high prices and only buy at stocks' support zone in market's correction, BVSC said.

hands, falling 10% in volume and 7% in value against the session earlier. Block deals contributed over VND1 trillion to the total value.

Despite heavy sell-off at the close, the active trading volume of some large-cap stocks saved the index from the deep plunge.

Notably, property group VIC advanced 1.4% at VND116,900 per share while housing developer VHM improved 1.2% at VND87,000. Retailer VRE was also traded actively, seeing 4.8 million shares changing hands.

The stocks in the Vingroup family kept their growth due to the supporting news that SK Group has announced its VND23.3-trillion spending on purchasing Vingroup's shares.

Construction firm ROS became the volume leader of the southern exchange when closing the day up 0.2% at VND32,650, with 9.7 million shares transacted.

Bank stocks were key laggards for the southern bourse as most of them finished the session down. Lenders TCB, CTG and HDB had from 2.1 to 2.4 million shares traded while their fellows such as STB, VPB, TPB and MBB saw 1.5-1.8 million shares changing hands.

Most speculative stocks came under selling pressure today. Apart from the rise of property firms HAG, SCR and PDR, mining firm AMD and furniture company TTF, property developer FLC stole the lime light, seeing 8.7 million shares transacted. FLC was the second most actively traded stock on the southern bourse.

The HNX-Index of the Hanoi Stock Exchange lost steam, closing the day down 0.32% against the previous session at 106.09 points. Trading volume and value tumbled 15% and 7% at 30.44 million shares worth VND430 billion.

The fall of most blue chips and weak demand sent HNX-Index down. Lender ACB, industrial firm VCS and construction firm VCG dipped 0.7% at 29,300, 1.1% at VND64,200 and 0.8% at VND25,900, respectively.

Gas firm PVS led the northern bourse by liquidity with 3.3 million shares changing hands, followed by lender SHB with three million shares matched.

## Macro & Policies

### 3. Urgent need to eliminate State monopoly in public service provision

At a workshop held by USAID and the VCCI in Hanoi on May 15, he said economic reforms over the last three decades show the State allowing the private sector to supply goods and services for society has generated benefits.

In the retail sector, State-run department stores have been replaced by markets, supermarkets, stores and shopping malls. While there were only State-run transport businesses in the past, thousands of taxi, bus, tourist car and truck service companies have been set up.

Private firms' growing participation in all economic sectors, even those originally reserved for State-owned enterprises like airports, seaports and transport infrastructure, aviation, electricity, healthcare, education and notarisation, has shown the sector's key role in public investment, Loc noted.

However, he said, there remain several public services solely provided by State agencies, which could lead to a lack of transparency.

The most important thing is the State has to withdraw from unnecessary public services, streamline its apparatus and focus on institution building, the VCCI chairman said, adding that institutional quality is decisive to national competitiveness.

Doan Tien Giang, a public-private partnership researcher at USAID, said the private sector's participation in public service provision, or outsourcing public services to private parties, will bring practical benefits like saving costs, promoting accountability, improving management capacity, using capital and equipment efficiently and enhancing service quality.

He also pointed out risks in the private sector's supply of public services such as lower security, opaque bidding and procedures to choose contractors, and job losses.

In a recent survey conducted by the VCCI and the World Bank, most respondents said private businesses play the main role in supplying goods and services. However, some also voiced their concern about risks posed by the private sector's involvement such as price hikes, loss of quality control, frauds and monopolies.

To choose fields to be outsourced to the private sector, Giang recommended several factors be considered, including the longevity of services, regulation and policy flaws, risks, ability to assess service quality and the possibility of changing contracts.

VCCI Chairman Loc called on State agencies to monitor the private sector's engagement in public services to help improve public service efficiency.

### 4. Thai firm to export poultry products by 2020

To realise the target, the company has established its CPV Food limited company at the Becamex Binh Phuoc industrial park in the southern province of Binh Phuoc. It is a closed-chain production line to breed, raise and slaughter chickens as well as process final products. The first phase of the project runs from 2019 to 2023.

Under the project, there will be an animal feed plant to produce 0.3 million tonnes of feed

annually and five breeding farms to turn out 53.6 million chicks annually. The first batch of breeding chickens is expected to be introduced to the farms this July.

C.P. Vietnam Corporation will also construct 21 chicken farms capable of raising 52 million heads a year. A slaughter – processing plan to make 116,000 tonnes of poultry meat, 36,000 tonnes of processed poultry meat and 2,100 tonnes of

feather meal on an annual basis is also part of the project.

## 5. Vietnam stays attractive to foreign investors amid trade war: economist

The expert told Vietnam Economic Times that most multi-national companies will continue restructuring their supply chains to reduce dependence on China, and ASEAN countries will benefit from this diversification.

In this context, Vietnam has emerged as a big beneficiary, he said, noting that the trade tension's impact on the country's growth rate will be eased thanks to the shift and diversification in global trade and investment.

Chua said recent data has illustrated this forecast. Foreign direct investment (FDI) in Vietnam set a new record in the first four months of 2019 when foreign investors registered 7.45 billion USD in new and additional capital – up 29 percent year on year. They also registered 7.1 billion USD to buy shares of Vietnamese firms, rising more than three-fold from a year earlier.

The country's exports of apparel, wood products, computer and electronic components, and mobile phones to the US are also growing sharply while similar commodities from China are now subject to higher tariffs due to the trade war.

The economist expressed his belief that FDI to Vietnam will continue increasing and support GDP growth this year.

Even when a US-China trade deal is signed in the next several months, multi-national companies planning to make new investments are still likely to apply a “China Plus One” strategy to reduce their vulnerability to any trade tensions in the future, and Vietnam is emerging as a “Plus One” destination, Chua added.

## 6. HCMC, Singapore to boost cooperation

At a meeting with Chee on May 15, HCMC Vice Chairman Le Thanh Liem noted that Singapore is HCMC's largest investor. As of December last year, Singaporean enterprises had registered to invest more than US\$10.73 billion in more than 1,100 projects in the city.

Singapore is also the second-largest trade partner of HCMC with bilateral trade reaching a value of US\$3.7 billion in 2018. Specifically, HCMC exported US\$475.5 million worth of products to Singapore and spent US\$3.32 billion on Singaporean imports, up 5.06% and 4.35% year-on-year, respectively.

Liem pledged that HCMC will improve its business and investment environment to create the most favorable conditions for foreign investors, including Singaporean ones, and respect their legitimate rights and interests.

At present, most Singaporean enterprises, such as Keppel Land, Mapletree and Ascendas, tend to invest in the city's real estate market, though the city is calling for investment in many other sectors.

The city needs to learn from the experience of Singaporean enterprises in artificial intelligence, Big Data, Internet of Things, robotics and nanotechnology to develop the smart city project.

In addition, HCMC needs Singapore's help in developing the logistics infrastructure and improving the operation of transport modes.

The HCMC vice chairman also called on Singaporean firms to consider 210 projects that need funding of more than US\$53 billion in total.

At the end of July, HCMC Party Committee Secretary Nguyen Thien Nhan will pay an official

visit to Singapore to intensify the bilateral cooperation on innovation startup and smart city projects for the 2019-2025 period.

Speaking at the meeting, Chee said that HCMC is an attractive destination for Singaporean investors. Singapore wants to work with Vietnam's largest city in fostering cooperation between the two sides' enterprises in science and technology transfers and startups.

Chee said that Singapore is impressed with the potential of Vietnam and HCMC in technology development and expected that Singaporean firms

would seek cooperation opportunities with the city.

The two sides can cooperate on HCMC's smart city development project, Chee suggested, adding that the representatives of many enterprises in his current delegation to Vietnam are keen on the project.

They also expressed interest in bolstering the cooperation with HCMC in sectors in which Singapore has strengths, such as waste treatment, green energy and high-quality agricultural production.

## 7. Humans and technology key to Viet Nam's new-stage development

This message was delivered by Prime Minister Nguyen Xuan Phuc at a conference themed "Science, Technology and Innovation - a pillar of Socio-Economic Development in Viet Nam" held by the Ministry of Science and Technology (MoST) in Ha Noi on Wednesday.

The conference was co-organised by the Ministry of Foreign Affairs, the Australian Embassy in Viet Nam and the International Development Innovation Alliance (IDIA).

Natural resources are becoming scarce across the world and in Viet Nam. Experts have agreed that the resource-intensive growth model is no longer applicable in this stage of development when Industry 4.0 has induced changes in all aspects of life and business.

Prime Minister Nguyen Xuan Phuc emphasised human creativity was an endless resource which was the most precious asset among all countries and businesses.

"The Vietnamese have innate qualities for creativity. I believe if there are enough good nutrients, we can cultivate excellent and devoted people who will contribute greatly to the prosperity of the country," Phuc said.

However, the Prime Minister also pointed out that with science and technology development,

innovation nourishment in Viet Nam was inadequate and limited.

In addition to insufficient awareness among localities and sectors about the role of science, technology and innovation, an incomplete legal framework and policy mechanism was holding back technological development and failing to inspire innovation, he said.

Just a few businesses had invested in innovation and research and development (R&D), while research conducted by universities was largely inapplicable and did not match business demands, Phuc said.

Viet Nam's spending on science and technology development, including both the State and private sectors, was very modest, accounting for just 0.44 per cent of gross domestic product (GDP), much lower than the world's average of 2.23 per cent.

The PM said: "If we do not make bold investments in science, technology and innovation, we would become stuck in a low-productivity, low added value and middle-income trap."

Speaking at the conference, Caitlin Wiesen, the UNDP's resident representative, said Viet Nam's growth to date had been inclusive which would enable the country to seize the opportunity of

transitioning to an inclusive Industrial Revolution 4.0.

As humans would become the centre of development, Wiesen suggested the Vietnamese Government should create new growth drivers that helped create new job streams for all people, as well as strengthen capabilities across the population to create and seize new job opportunities.

Ousmane Dione, the World Bank's country director for Viet Nam, also said the population of internet users in Viet Nam was on par with most countries which had enabled it to develop a digital infrastructure.

However, he said Viet Nam needed to streamline research institutes, reducing quantity and raising quality.

At the conference, the PM asked the MoST to advise the Government on policies to encourage and promote innovation in the business sector, while requesting the statistics office to standardise data collection on technological and innovative activities in accordance with global standards and to establish a national data bank for science and technology and innovation.

He also emphasised the need to promote the role of universities and research institutes in training human resources to meet the demands of the economy and businesses.

Digital economy report

Also at the event, the MoST and Commonwealth Scientific and Industrial Research Organisation

(CSIRO) launched Viet Nam's Future Digital Economy Report which examines mega-trends affecting the development of the country's digital economy until 2045, which include the impact of emerging digital technologies, new export markets for Viet Nam, the development of modern digital infrastructure, the push for smart cities, the rise of digital skills and services, and changing consumer behaviour.

"How the future plays out will depend on Viet Nam's position in the regional digital economy, and the level of adaptation to digital products and services across the Government, community and industry," Lucy Cameron, senior research consultant at CSIRO, said.

According to Cameron, digital transition would bring about 1.1 per cent of GDP growth each year for Viet Nam by 2045. She said Viet Nam's growth was fast and inclusive which was suitable for digital transition.

"The next wave of digital technologies - Artificial Intelligence, blockchain, the Internet of Things, and platforms and cloud-based services - have the potential to transform Viet Nam into Asia's next high-performing economy. Viet Nam will need to seize these substantial opportunities while carefully navigating a number of risks," she said.

The report is part of the Australian Government's Aus4Innovation programme, an AU\$10 million strategic initiative designed to strengthen links between the Australian and Vietnamese innovation systems.

## Corporate News

### 8. CTI: Board Resolution No.08 \_ May 10, 2019

↑ 1.09%

Cuongthuan Idico Development Investment Corporation announces Board Resolution No.08 dated May 10, 2019 as follows:

File Attachment

[20190516 CTI-190516-Board-Resolution-No.08--May-10-2019--MN.pdf](#)

### 9. DXG: Resolution on bond issuance

↓ -0.78%

Dat Xanh Real Estate Service & Construction Corporation announces the board resolution dated May 14, 2019 as follows:

The Board of Directors approved the private placement of corporate convertible bonds:

- Issue volume approved by the general meeting of shareholders: 1,400 bonds
- Issue volume in the first phase: 234 bonds

### 10. Stock market briefs May 16, 2019

↑ 2.56%

HANOI – Vo Thanh Viet, a board member of Thuong Phu Coffee JSC (CTP), sold 404,000 CTP shares out of the total registered volume of 2.65 million shares from April 10 to May 9. Currently, he still holds over 2.59 million CTP shares, or 21.44%.

cut her ownership in NTL to 11.62 million shares, or a 17.78% stake.

HANOI – Le Tuan Nghia, general director of 1369 Construction JSC (C69), has registered to buy 430,000 C69 shares between May 20 and June 18 while Vuong Anh Tuan, vice chairman of the firm, will purchase 500,000 C69 shares during the same period. Nghia and Tuan currently own no shares in C69.

HCMC – Viet Dragon Securities Corporation (VDS) has passed a plan to issue VND600 billion worth of inconvertible bonds at the par value of VND1 million each. The bonds will have a tenor of one year and carry an interest rate of 9.5% per year.

HANOI – Shimabukuro Yoshihiko, a board member of PGT Holdings JSC (PGT), has registered to purchase one million PGT shares from May 17 to June 5.

HCMC – Truong Anh Tuan, chairman of Hoang Quan Consulting-Trading-Service Real Estate Corporation (HQC), has bought 10 million HQC shares, raising his holding in HQC from 20.35 million shares to 30.35 million, or 6.37% of the total.

HCMC – Truong Thi Lan, mother of Duong Ngoc Hai, a board member of DRH Holdings JSC (DRH), is planning to buy six million DRH shares, or 9.84%, from May 21 to June 19.

HCMC – Nguyen Thi Mai, a large shareholder of Tu Liem Urban Development JSC (NTL), has sold more than 963,000 NTL shares. The transaction



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