



# VIETNAM DAILY NEWS

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## Market Analysis

### 1. Stocks recover after 4-session losing streak

The VN-Index of the Hochiminh Stock Exchange closed at the intraday high of 975.14, rising 5.11 points, or 0.53%, against last Friday, largely buoyed by dairy giant VNM. However, market turnover slumped by 17.7% in volume and 15.2% in value to 138.4 million shares worth VND3.4 trillion.

Notably, block deals contributed up to 42.5 million shares worth VND1.2 trillion to the total turnover. Lender EIB saw 6.7 million shares traded via put-through with the combined value of VND114.8 billion while jewelry firm PNJ reported transactions of 2.4 million shares worth VND280.6 billion.

VNM saw rising selling pressure at the start of the afternoon phase but the stock still survived the pressure at the close. The dairy stock ended at the intraday high of VND134,000, up 2.7% versus the session earlier and playing the key role in pushing up the main index to the strong supporting level of 975 points.

Besides this, lender VCB climbed 1.4% at VND67,400 and beverage firm SAB added 1.5% at VND265,000. Meanwhile, VIC, a leading real estate and retail group, closed at the reference price of VND115,000 and its subsidiary VHM lost 0.12% at VND84,400.

Among blue chips, construction firm ROS saw strong demand after dropping steadily last week.

The firm advanced 1.3% at VND30,400 and led the southern market for liquidity with over 11.2 million shares traded.

Small and speculative stocks reported bustling trade, in which steel maker HSG gained 1.7% at VND8,300 on matching volume of 6.7 million shares. HAR, a real estate company, shot up to the ceiling price for the third consecutive session, closing at VND3,960 with a volume of 930,000 shares.

On the Hanoi Stock Exchange, the HNX-Index fell for the second straight session, losing 0.33% at 105.04. Market turnover reached 21.7 million shares worth VND267 billion, down 38% and 42.3% versus last Friday, respectively.

VCS, which is active in the industrial sector, rose 1.9% at VND63,100 after the company had announced to advance a cash dividend at 20% for shareholders. The firm reported matching volume of nearly 120,000 shares.

In contrast, lender ACB fell 0.7% at VND29,100. Its fellow bank SHB moved flat at VND7,100 and took the lead for liquidity on the northern bourse with 2.3 million shares traded.

Meanwhile, lender NVB shed 4.5% to close at the intraday low of VND8,300. The bank saw matching volume of nearly 1.5 million shares.

### 2. VN markets mixed on continued trade worries

The VN-Index on the Ho Chi Minh Stock Exchange increased 0.53 per cent to close at 975.14 points. The index lost a total of 0.66 per cent last week.

The HNX-Index on the Ha Noi Stock Exchange dropped 0.33 per cent to end at 105.04 points.

More than 138 million shares were traded on the two local exchanges, worth VND3.4 trillion (US\$146 million).

Worries about the US-China trade war continued to cast a shadow over global markets. Investors feared the escalation of the trade war would

dampen global trade and the trade conflict would “turn into a technology cold war”, Reuters said.

Asian stocks lingered near four-month lows on Monday. Chinese shares started Monday higher but then slumped, with the benchmark Shanghai Composite dropping by 0.3 per cent and the blue-chip CSI 300 falling 0.6 per cent. Hong Kong's Hang Seng declined 0.5 per cent.

Vietnamese large-caps saw wide divergence among stock groups.

Masan Group (MSN), dairy firm Vinamilk (VNM), brewery Sabeco (SAB), Vietjet Air (VJC), HDBank (HDB) and Vietcombank (VCB) gained to support the VN-Index with MSN up by 1.4 per cent, VNM 2.7 per cent, SAB 1.5 per cent, VJC 0.5 per cent, HDB 1.7 per cent and VCB 1.4 per cent.

Bao Viet Holdings (BVH), Coteccons Construction Joint Stock Company (CTD) and Phu Nhuan Jewelry Joint Stock Company (PNJ) all declined, limiting the market's gains. BVH fell 1.2 per cent. CTD decreased 1.04 per cent and PNJ fell 1.4 per cent.

Several oil and gas stocks increased such as PetroVietnam Drilling and Well Services Corporation (PVD), PetroVietnam Gas JSC (GAS) and Petrovietnam Transportation Corporation (PVT).

Sectors that increased included logistics, oil and gas, seafood processing, banking, real estate and food and beverages.

The agriculture, insurance, securities, construction and construction materials sectors reported losses.

According to Bao Viet Securities Company (BVSC), the VN-Index is expected to alternate between ups and downs in upcoming sessions.

“After last week's decline, the VN-Index might sit between 965 and 993 points in the short run, before sending signals to indicate what it will do next,” BVSC said. “The market may recover in early sessions of the week then decline to the 960-965 support zone in the remaining sessions.”

Cash inflows are expected to be spread out this week among textiles, real estate, industrial parks, rubber, information technology and electricity.

As the market is expected to remain flat in the short term, stock exposure should be limited at a maximum of 50 per cent of an investor's portfolio, BVSC recommended. Investors with high cash proportion should buy stocks at their support zones.

## Macro & Policies

### 3. Foreign investment to Vietnam hits 4-year high in 5 months

Specifically, Vietnam licensed 1,363 foreign direct investment (FDI) projects with total registered capital of nearly 6.5 billion U.S. dollars, and saw 505 operational FDI projects raise their capital by more than 2.6 billion U.S. dollars, Vietnam News Agency reported on Monday, citing the Foreign Investment Agency.

Between January and May, foreign investors also spent 7.65 billion U.S. dollars buying shares or contributing capital to Vietnamese firms.

Among foreign capital, 72 percent were poured into the processing and manufacturing sector, 7.5 percent into the real estate sector, and 5 percent into retail and wholesale sector, according to the Foreign Investment Agency.

China's Hong Kong Special Administrative Region was Vietnam's largest source of FDI in the five-

month period with 5.08 billion U.S. dollars, accounting for about 30.3 percent of total investment, followed by South Korea and Singapore with 2.62 billion U.S. dollars and 2.09 billion U.S. dollars, respectively.

The capital city of Hanoi retained its crown as the most attractive destination for foreign investors with 4.79 billion U.S. dollars, making up 28.6 percent of the nation's total investment in the period.

As of May 20, Vietnam is home to 28,632 valid FDI projects with total registered capital of 350.5 billion U.S. dollars. Meanwhile, the total disbursed capital had reached 198.7 billion U.S. dollars, equivalent to 56.7 percent of the total pledged investment, said the Foreign Investment Agency.

### 4. Schaeffler invests 45 million Euros in new plant in Vietnam

With this investment, Schaeffler will create more than 300 additional jobs in the province. Dinh Quoc Thai, chairman of the province's Committee joined Georg FW Schaeffler, shareholder and chairman of Schaeffler Group and Andreas Siegel, German consul general to celebrate the official opening in presence of government officials, customers, partners and other dignitaries.

Schaeffler said in his speech, "Vietnam was the very first location in South East Asia where Schaeffler invested to build local manufacturing capacity. There are many reasons for our continued commitment to Vietnam. It's strategic location in Asia, a well-diversified, stable and fast-growing economy with talented, well-educated, ambitious population are just few among them."

Confidence in Vietnam's potential as an efficient production hub

Martin Schreiber, President Industrial at Schaeffler Asia Pacific said "The expansion of local manufacturing capacity demonstrates our confidence in Vietnam as an ideal production hub in the Asia Pacific region to serve regional and global customers with best-in-class bearing products and systems."

Klaus Mueller, Chief Operating Officer at Schaeffler Asia Pacific added that we consider this plant in Vietnam as one of the best performance and modern production facilities in our global network.

The new facility, located at the Amata Industrial Zone in Bien Hoa City, about 50 kilometers from Ho Chi Minh City, will produce industrial bearings and components for a wide range of applications.

Schaeffler first made an investment in Vietnam over 10 years ago when the company started local production of Tapered Roller Bearings (TRB),

Radial Insert Ball Bearings (RIBB) and Steering Column Bearings (SCB) in Southeast Asia. With the new investment Schaeffler will increase production capacity of the existing product ranges and add new product lines for extended range of RIBB as well as the flagship product of Schaeffler Group – Needle Roller Bearings (NRB).

#### **Made in Asia Pacific – for global customers**

The new plant has been developed on a modular concept with a total building area of 25,000 sqm in Phase 1. “We continue to grow our engineering competency and production footprint with the aim to deliver highest value from our products and solutions to customers in the region and around the world.

This is the second major investment by Schaeffler to expand local manufacturing capacity in Asia Pacific. In 2016, we opened a new plant for automotive products in Thailand and today we are proud to celebrate the opening of this state-of-the-art facility for industrial products in Vietnam,” Mr. Helmut Bode, CEO Schaeffler Asia Pacific said

Products manufactured in Vietnam will be supplied to customers across a wide range of industry sectors including agriculture, construction and mining, power transmission, food processing, textile, paper, steel, cement and two-wheelers (motorcycles).

#### **Industry 4.0 to optimize manufacturing process**

The new plant is equipped with advanced production machinery and technologies in line with Schaeffler's commitment to maintain consistent quality standards worldwide. It is the first plant in Southeast Asia to apply the latest Industry 4.0 solutions developed by Schaeffler. There are 70 Schaeffler condition monitoring devices – SmartCheck™ – installed at key positions inside the plant.

Seunghun Park, Managing Director and Plant Manager Schaeffler Vietnam said “Development of manufacturing sector is a key priority of the Government of Vietnam.

With access to highly skilled workforce and their commitment to deliver best-in-class quality products for our customers, Schaeffler Vietnam has proven to be an efficient production base for the company. In 2018, we achieved the milestone of continuously delivering products without a single quality complain from customers for over two years. Expansion of our production capacity gives us the confidence to achieve even higher standards of quality performance and customer satisfaction while contributing to the growth of the industrial sector in Vietnam,” he added.

## **5. RoK company invests 1.2 million USD in start-up firm in Vietnam**

This is the company's second investment in an e-commerce start-up based in Vietnam.

Earlier in January, it poured 3 million USD into the e-commerce venture firm, Leflair, which focuses on premium-branded products for women, men, children and homes.

Vietnam is considered one of the fastest-growing countries in the tourism industry, and a favourite destination for Korean tourists thanks to its low costs and diverse tourist attractions.

The number of Korean visitors to Vietnam rose by 24 percent in the first three months of this year, exceeding the 1 million mark for the first time in the period.

The figure is expected to surpass 4 million for the whole year. After topping the 1 million level for the first time in 2015, the annual number of Korean tourists to Vietnam rose to 2.42 million in 2017 and 3.44 million last year.

## 6. Committed FDI inflow to Vietnam hits four-year high

The FDI inflow also represented a yearly increase of 69.1 percent, the FIA said, adding that FDI disbursement jumped to 7.3 billion USD in the period, up 7.8 percent year-on-year.

As many as 1,363 new projects were licensed with total registered capital of 6.46 billion USD in the January – May period, up 38.7 percent against the same period last year, while 505 existing projects were injected an additional 2.63 billion USD, up 5.5 percent year-on-year.

During this period, 3,160 projects had 7.65 billion USD in capital contributed by foreign investors, 2.8 times higher than the figure of the same period last year and accounting for 45.7 percent of total registered capital.

Among 19 fields and sectors receiving capital from foreign investors, manufacturing and processing led with 10.5 billion USD, accounting for 72 percent of the total FDI. Real estate came next with 1.1 billion USD, or 7.5 percent, followed by retail and wholesale with 742.7 million USD or 5 percent.

Hong Kong was Vietnam's largest source of FDI in the five-month period with 5.08 billion USD, accounting for 30.4 percent of total investment, thanks to Hong Kong's Beerco Limited spending 3.85 billion USD on a stake in Vietnam Beverage Co Ltd.

The Republic of Korea and Singapore were the runners-up with 2.62 billion USD or 15.7 percent and 2.09 billion USD or 12.5 percent, respectively. China claimed fourth place with 2.02 billion USD, followed by Japan with 1.52 billion USD.

The capital city of Hanoi retained its crown as the most attractive destination for foreign investors with 4.79 billion USD, making up 28.6 percent of the nation's total investment in the period as the city has been making efforts to streamline investment procedures.

The southern largest economic hub of Ho Chi Minh City ranked second with 2.78 billion USD or 16.6 percent of total FDI registered in the country, followed by its neighbour Binh Duong province, with 1.25 billion USD or 7.4 percent of the total.

From January to May, the foreign-invested sector generated \$70.4 billion from exports, a 5 percent year-on-year increase and accounting for 70 percent of the country's total export turnover. By May 20, the country is home to 28,632 valid FDI projects with total registered capital of 350.5 billion USD. The total disbursed capital reached 198.7 billion USD, equivalent to 56.7 percent of the total committed investment.

Also according to the FIA, Vietnamese firms poured nearly 183 million USD into 69 projects abroad in the period.

Most of their overseas investment focused on science and technology (82 million USD), the banking sector (37 million USD) and the information and communication sector (31 million USD).

During the period, Spain, the US and Cambodia attracted the largest shares of Vietnamese investment with 60 million USD, 44 million USD and 38 million USD, respectively.

## 7. Home Credit launches new in-app feature

The service is available anytime and anywhere with simple procedures. Customers can receive money within the day, the company said, adding

that, with the new service, it has become one of a number of finance companies with the fastest loan registration process in the market.

After installing the Home Credit Vietnam app, new customers can check special loan offers and select the amount, ranging from VND10 million (US\$439) to VND40 million (\$1,754), and apply for a loan in two minutes.

For Home Credit's existing customers who are eligible for appraisal, after registration, the approval results will be sent within 10 minutes with the loan amount varying from VND5 million (\$220) to VND200 million (\$8,700).

If the customer has registered an e-signature with the company and selects disbursement via their bank accounts, the approved loan will be transferred in two hours. Other disbursement methods which the consumers can choose include transfers via MoMo e-wallet or cash receipt.

“As a tech-driven consumer finance company, we are constantly striving to improve our mobile app to increase customer experiences from fast to instant. The launch of online registration features

on the mobile app is a significant step in the 100 per cent digitalisation of our Home Credit loan process,” said Dmitry Mosolov, CEO of Home Credit.

After the official launch in March 2017, the Home Credit Vietnam app was awarded the “Most popular consumer finance application in Viet Nam” in 2017 and 2018. As of the end of April, the application had nearly 4 million downloads from both iOS and Android platforms.

Home Credit has officially operated in Viet Nam since 2008. The company is now headquartered in HCM City, and has a branch in Ha Noi and eight representative offices in key cities and provinces.

After 10 years of operation, Home Credit has built a network of 9,400 retail outlets in 63 cities and provinces across Viet Nam.

## 8. KVision launches hackathon to co-innovate with Vietnamese startups

Bringing together KBank's expertise in regional banking, \$245 million of funding from KVision, local know-how of VIISA, and innovative ideas from local startups, the aim is to drive synergies that will spur cutting-edge solutions that create value and drive growth in Vietnam and the wider region.

Kasikorn Vision (KVision), an investment holding company under Kasikornbank Pcl. in Thailand (KBank), has joined hands with Vietnam Innovative Startup Accelerator (VIISA), a leading accelerator in Vietnam, and UP Co-Working Space, to hold a three-day hackathon on June 28-30, 2019.

Chat Luangarpa, first senior vice president of KBank, said that Vietnam has emerged as one of the ASEAN's most vibrant startup markets. Vietnam is now one of the most active VC markets in the region, and with a fast-growing economy, a pool of youthful tech talent, and strong government support, it has all the key ingredients

for rapid innovation growth. Not only that, the country's young, change-oriented consumer market makes Vietnam a perfect place for startups to thrive.

KVision, aiming to drive innovative growth in the region, sees the potential for Vietnamese startups to not only grow in the local market but also capture opportunities across the ASEAN. Supported by KBank's presence in the region, the hackathon is aimed at equipping Vietnamese startups with the right tools to bring them to the next level of growth in the regional stage.

The programme will bring seasoned mentors from the local and global startup community, including Akamai, Sendo, and other leading accelerators, as well as business veterans such as UniBrands. Through a series of mentoring and sharing sessions, startups will receive real-world advice, hands-on supervision, and invaluable networking to help them step up their game in all aspects.

From design thinking to pitching, the end goal is to inspire and drive startups to come up with real solutions to materialise their business, and form real connections to make their business happen. On top of that, startups with potential will have the opportunity to gain financial backing from investors from Vietnam and overseas, as well as fast-track entry to a range of other startup programmes.

At the heart of this programme lies the idea of co-innovation. Duc Tran, CEO of VIISA, said that the time for partnerships is now. Gone is the time when brick-and-mortar corporations and startups could simply view each other as competitors; partnerships between the two can bring a synergy effect and combination of different strengths to accelerate growth, allowing startups to scale in a time of increasing competition while also allowing corporations to transform in the digital age.

Chat Luangarpa added that this is now also one of KBank's key strategies. The establishment of KVision in Vietnam as well as other countries with outstanding technology sectors, including China, Israel, and Indonesia, is in order to scout innovative startups to co-launch new services in the region's underserved and quickly evolving markets.

KVision looks to play an active role in linking startup ecosystems in the ASEAN. Earlier this month, KVision signed a co-operation agreement

with the Vietnamese government's Business Startup Support Centre (BSSC) to support Thai startups' entry into the Vietnamese market.

KBank first entered Vietnam through the launch of its Hanoi and Ho Chi Minh City representative offices in 2015. To continue its focus on Vietnam, KBank plans to upgrade its Ho Chi Minh City representative office to its first branch in Vietnam, once the license is granted. Alongside setting up physical branches, KBank also looks to bring in digital solutions, including partnerships with startups to address financial service gaps and to drive disruption in the region.

KVision will hold the three-day "KVision x VIISA Hackathon: Building Co-Innovation" hackathon at UP Co-Working Space, Ho Chi Minh City, June 28-30, 2019. The programme is opened to both startups with business ideas and those with existing products. Prizes include \$2,000 for the ideation track winner, \$5,000 for the acceleration track winner, as well as fast track guarantees to various startup programmes and perks from hackathon partners.

For more information on qualifications and application methods, visit [kvisionhack2019.devpost.com](http://kvisionhack2019.devpost.com). Applications will be open until June 15, 2019.

## Corporate News

### 9. Vinachem receives cash dividend from Danang Rubber

↓ -3.45%

According to Board Resolution No.07/NQ-DRC-HDQT dated 05/15/2019, the Board of Directors of Danang Rubber Joint Stock Company approved the plan for 6% cash dividend for 2018.

Vietnam National Chemical Group (Vinachem) announced the receipt of cash dividends from Danang Rubber Joint Stock Company as follows:

- Payment ratio: 6%/par value
- Record date: May 31, 2019
- Payment date: July 02, 2019

As the record date for dividend payment is before the date of stake transfer of Vinachem at Danang Rubber Joint Stock Company (June 04, 2019), Vinachem is still a firm receiving the cash dividends from Danang Rubber Joint Stock Company.

### 10.CSV: Resolution on the appointment Deputy CEO

↑ 0.00%

On May 23, 2019, The Board of Directors of South Basic Chemicals Joint Stock Company approved

the appointment of Mr. Do Trung Hieu as Deputy CEO as from June 01, 2019.

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