



VIETNAM DAILY NEWS

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Market Analysis

1. Stocks down as market under profit-taking pressure

The benchmark index closed at 960.13 points, down 2.72 points, or 0.28%, against the previous session.

The southern exchange saw 104 stocks rising and 180 others falling, with trade volume rising 9% against the day earlier at 164 million shares and value advancing 6.6% at VND3.61 trillion. There were 43.6 million shares worth VND1.1 trillion traded in block deals.

Most bank stocks on the southern market ended down. CTG reported the sharpest price decline of 1.64% at VND21,050, followed by BID, 1.53% at VND32,100, and MBB, 0.94% at VND21,100.

In addition, VCB lost 0.82% at VND72,400 at the close, while TCB slumped 0.72% at VND20,750.

Only VPB and HDB bucked the trend, picking up 0.52% and 0.19% at VND19,400 and VND26,700 per share, respectively.

Among banks, CTG was the best performer by liquidity with 3.63 million shares changing hands, followed by VPB with 2.6 million shares and STB with 2.5 million shares.

Property firm VIC and its housing affiliate VHM also closed at their reference prices. Meanwhile, retailer VRE dipped 0.58% at VND34,300.

Large-cap and blue-chip stocks, such as steelmaker HPG, national flag carrier HVN and beverage firm BHN, closed down.

Nevertheless, the market was supported by tech firm FPT which surged 2.99% at VND46,500. The stock also had good liquidity with 3.27 million shares transacted.

Additionally, dairy stock VNM, brewery firm SAB, low-cost carrier VJC and property enterprise NVL posted a slight rise of 0.24%-1.04%.

Construction firm ROS still led the southern bourse by liquidity with 10 million shares traded. It ended the day at its reference price of VND30,000.

On the Hanoi Stock Exchange, the HNX-Index inched down 0.6%, or 0.63 points, at 104.15 points. Investors traded 24.89 million shares worth a combined VND449 billion, equivalent in volume but rocketing in value over the earlier session.

Block deals amounted to 4.1 million shares valued at more than VND141.6 billion.

All of the 10 largest stocks by market capitalization closed at their reference prices or declined.

Macro & Policies

2. Viet Nam posts trade surplus as of June 15

Reports from the General Department of Customs showed that in the first half of June, the country's export revenue reached nearly \$10.18 billion while the import value was \$9.63 billion. The higher export value helped the country have a trade surplus of some \$500 million in the period.

Mobile phones and phone components were the largest export earner in the first half of June, with export revenue reaching \$1.71 billion. Computers, electronics and parts came second with more than \$1.4 billion in revenue, followed by apparel with around \$1.4 billion.

Computers, electronic products and parts made up the largest proportion of imports at \$1.9 billion in the first half of June. Machinery, equipment, tools and machine parts ranked second with some \$1.4 billion.

According to experts, despite a slowdown in export growth, the performance was encouraging when compared with other regional countries. Viet Nam posted a 6.7 per cent export growth in the first five months, against 7.1 per cent in the same period of 2018. Many other countries and

territories saw exports shrink in the first three months of the year including Japan, Indonesia, Taiwan (China) and Singapore. Chinese export turnover inched up just 1.4 per cent during the first quarter of 2019.

Economist Vo Tri Thanh said Viet Nam's trade was still performing well even though the global economy has slowed due to uncertainties including the US-China trade war.

In its latest report, analysts from the Rong Viet Securities Company expressed optimism about Viet Nam's trade balance, especially from the third quarter of 2019.

Viet Nam would export more in the coming months, while imports will decrease because of seasonal reasons and Government measures, the analysts said. They said exports of farm produce and electronics, which make up 40 per cent of the country's total export turnover, may see better growth.

3. Samsung withdraws from China, Vietnam emerges as next destination

As Samsung plans to close its last factory in China fierce competitions from Chinese manufacturers, Vietnam and India emerge as next destinations thanks to a bunch of advantages that include low labor costs, low assembly price and people's preference for Samsung's devices, local news reported.

Samsung has decided to shut down its last factory in the city of Huizhou, Guangdong province, China which provides one-fifth of Chinese total smartphones sold in 2011.

According to South China Morning Post (SCMP), Samsung's share in the Chinese market in 2018 plummeted to 1% in the face of the fierce

competition from local rivals namely Xiaomi, Huawei and Oppo.

In the first quarter of 2019, the South Korean company's mobile phone exports from Huizhou factory fell 20.1% year-on-year while Samsung in its golden time in 2011 ranked first in the world in producing and exporting mobile phones with 70.14 million and 55.64 million from Huizhou and Tianjin factories, respectively.

Samsung closed its factories in Tianjin at the end of 2018, leaving 2,600 workers unemployed after shutting down of a production base in Shenzhen some months earlier.

The continuous closing of Samsung's factories in China has raised questions about this country's role in the global chain as well as which will be the next country Samsung will relocate.

India with the population of 1.3 billion people is considered one of the largest smartphone markets in the world as it is predicted that there would be 780 million smartphone users by 2021, twice the number of 2016. However, Vietnam has its own advantage as it mainly exports the finished products instead of exporting parts to China for assembling as other countries do.

According to Deputy Head of the Department of E-Commerce of Hanoi-based University of Commerce Nguyen Binh Minh, Vietnam has a stable business climate where Samsung has a strong foothold and enjoyed generous incentives from the Vietnamese government. Samsung has repeatedly affirmed that Vietnam is its largest global strategic base for not only production but also research and development.

In 2016, Samsung Vietnam's R&D center successfully researched and made a finished

phone instead of some small parts before. The "made in Vietnam" phone was then presented widely and received good response from the market.

General Director of Samsung Vietnam complex Choi Joo Ho informed that Samsung Vietnam's revenue reached US\$28.5 billion while the export turnover was USD\$24 billion by the end of this May.

By the end of 2019, Samsung Vietnam's revenue may soar to US\$73.5 billion and the export turnover to US\$63.5 billion, up 5% year-on-year.

Samsung is proceeding to build its largest research and development center in Southeast Asia in Hanoi, which is expected to employ more than 3,000 laborers.

The company also calls for investment from other South Korean tech firms in some projects in Vietnam such as a US\$500 million semiconductor project in Bac Giang province.

4. Pork gets dear as African swine fever spreads

Lan, a pork importer in Ho Chi Minh City's Go Vap District, said prices have surged from VND40,000-60,000 (\$1.7-2.6) per kilogram in the first five months last year to VND60,000-80,000 (\$2.5-3.5) this year.

Lan used to import pork only from Poland and China, but she is looking to other countries as well to meet rising demand.

Lien, an importer in HCMC's District 2, said that prices of pork from the U.S., Canada and Spain have risen by 5-15 percent year-on-year.

Rib prices have risen from VND80,000 to VND90,000 per kilogram, while pork shoulder prices have gone up from VND90,000 to VND110,000 per kilogram.

Major pork importer Vissan Jsc estimates that prices will continue to rise as the swine flu continues to spread in Vietnam and other Asian countries.

Vissan CEO Nguyen Ngoc An said: "Import prices have risen from VND60,000 to VND80,000, or 33 percent. China, the world's largest importer, is pushing prices up as its supply is unstable."

China has been stocking up pork with the African swine fever spreading in the mainland since August last year, reducing the national herd by up to 200 million animals, Reuters reported.

Pork imports have been surging in Vietnam as well. In the first four months of the year, import of pork and pork products rose 6.7 times from the same period last year to \$23.58 million, according

to Ministry of Agriculture and Rural Development.

In HCMC, affected by the African swine fever this month, the municipal customs department said that pork imports from January 1 to June 19 quadrupled in volume year-on-year.

Importers in the city have spent almost \$7 million on pork imports, against just \$2 million last year, the customs department said.

As many as 59 of 63 provinces and localities in Vietnam have reported the incidence of African

swine fever. The country has culled at least 2.45 million pigs since the disease was first found in the northern region early February.

Vietnam has the seventh largest number of pigs in the world, 30 million, and is the sixth largest pork producer. Pig farming provides a livelihood to 2.4 million households, according to official figures.

Pork makes up 70 percent of the average Vietnamese diet. The Ministry of Industry and Trade is looking at frozen pork supplies as a plan to meet a possible pork shortage.

5. AEON to build one more mall in Hanoi

It is scheduled to open by 2020, AEON executive director and general director of AEON Mall Vietnam Yasutsugu Iwamura told Prime Minister Nguyen Xuan Phuc at a meeting in Hanoi last week.

Phuc expressed support for the construction of the mall, and instructed local authorities to facilitate it by adjusting land plans if required.

Yasutsugu said there are plans to build 20 malls by 2025. AEON already has four in Ho Chi Minh City, Hanoi and the southern province of Binh Duong, and two others are under construction in Hanoi and the northern city of Hai Phong.

The firm's first Hanoi mall is in Long Bien District, east of the city, while its under-construction outlet, the second, is in Ha Dong District, southwest of Hanoi.

Yasutsugu said the retailer hopes to have a strategic partnership with Vietnam, increasing exports of its agricultural products to Japan for sale through its system.

It plans to double imports from Vietnam to \$500 million next year with Vietnam likely to become a high-quality supplier of food to Japanese consumers, and double again to \$1 billion by 2025, he said. Last year AEON's imports were worth \$245 million, with clothing accounting for 55 percent.

6. Rice exports shrink in first five months

The Ministry of Industry and Trade (MoIT) said at a conference in Ho Chi Minh City on Monday that the country exported a total of 2.76 million tons of rice worth around \$1.18 billion in the first five months.

Apart from the Philippines, Vietnam's exports to its main markets like China, Indonesia and Bangladesh fell during this period.

Vietnam exported only 239,000 tons of rice to these three markets, compared to 1.44 million tons in the same period last year, a six-fold drop.

This situation is expected to drag on until the end of the year, as a result of various reasons including high levels of rice inventory from China's last harvest, Indonesia having general elections this year, and the recovery of post-flood production in Bangladesh, the ministry said.

Export prices of rice also fell sharply this year, averaging only \$427.5 per ton, a decrease of \$77 per ton over last year.

According to the Ministry of Agriculture and Rural Development, Vietnam is the third biggest rice exporter in the world behind India and Thailand,

selling the grain to some 150 countries and territories.

In 2018, rice exports grew 5.1 percent in volume (6.1 million tons) and 16.3 percent (\$3.08 billion) in value year-on-year.

Corporate News

7. BVH: Report affiliated person trade

↓ -0.25%

File Attachment

Report affiliated person trade of BaoViet Holdings as follows:

[20190625 BVH-190625-Report-affiliated-person-trade.pdf](#)

8. BMC: Report on Change in Ownership by Major Shareholders - America LLC

↓ -3.33%

File Attachment

Report on Change in Ownership by Major Shareholders - America LLC of Binh Dinh Minerals Joint Stock Company as follows:

[20190625 BMC-190625-Report-on-Change-in-Ownership-by-Major-Shareholders--America-LLC.pdf](#)

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