VIETNAM DAILY NEWS

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Table of content

Table of content

Market Analysis

1. Hong Kong fund introduces MSCI Viet Nam ETF

Premia MSCI Viet Nam ETF tracks the MSCI Viet Nam Index, which aims to capture leading large and mid-cap Viet Nam-based companies that represent 85 per cent of market capitalisation in Viet Nam.

The index is dominated by the real estate (45.5 per cent) and consumer staples (30.2 per cent) sectors and comprises 16 constituents, most notably property developer Vingroup (22.0 per cent) and Vinhomes (12.7 per cent), and dairy producer Vinamilk (17.8 per cent).

Compared to other ETFs currently operating in Viet Nam's stock market, Premia MSCI Viet Nam ETF remains modest with fund size of US$21 million.

Premia MSCI Viet Nam ETF's portfolio has 16 stocks, including property developers Vingroup (VIC) (20.94 per cent), Vinhomes (VHM) (12.63 per cent) and Vincom Retail (VRE) (7.84 per cent), dairy producer Vinamilk (VNM) (17.01 per cent), Masan Group (MSN) (7.64 per cent), new generation carrier Vietjet (VJC) (4.97 per cent), brewer Sabeco (SAB) (4.31 per cent), Vietcombank (VCB) (3.99 per cent), PetroVietnam Power Corporation (POW) (1.54 per cent), PetroVietnam Gas Corp (GAS) (1.47 per cent), Bank for Investment and Development of Vietnam (BID) (1.39 per cent) and the Vietnam National Petroleum Group (PLX) (1.17 per cent).

Currently, there are a number of investment funds in Viet Nam tracking the MSCI indexes, such as MSCI Frontier Markets Index and MSCI Frontier Markets 100 Index. Notable names include iShares MSCI Frontier 100 ETF with over $500 million in funding, and Schroder ISF Frontier Markets Equity with $1 billion, among others.

The launch of Premia MSCI Viet Nam ETF facilitates investors with efficient market access and liquidity management tools as they position for opportunities amid market uncertainties, global supply chain reconfiguration, and new trade pacts including CPTPP and EVFTA with Viet Nam.

2. VN stocks to struggle amid mixed corporate earnings

Viet Nam's benchmark VN-Index has increased by total 4.16 per cent from the close of 943.11 points on June 27 to the close of 982.34 points last Friday on expectations for listed firms' quarterly earnings growth.

It is expected to hit 1,000 points soon during the earnings season when listed companies reveal their results for the April-June period and for the first half of 2019 in the next one or two weeks.

Strong capital inflow has targeted stocks in the banking and industrial real estate sectors in recent weeks and set aside other sectors.

Investors are likely waiting for other potential companies to release their quarterly earnings such as brewer Sabeco (SAB), food and beverage producer Masan (MSN) and property developer Vingroup (VIC).

Expectations for those firms' earnings reports will keep the market advancing until their results are revealed, making bank stocks the only possible targets at the moment as some of them have announced quarterly earnings, according to Nguyen Viet Quang, director of Yuanta Vietnam Securities' Ha Noi branch.

Listed banks have acted as the main driving force of the market and their shares have reached investors' profitability expectations.

Among the best-performing bank stocks, Vietcombank shares (VCB) have gained 13.67 per cent in the last three weeks and more than 20 per cent since early June.

Asia Commercial Bank shares (ACB) have also performed well gaining total 9.09 per cent in the three-week period and 9.47 per cent since early June.

The two banks in recent weeks announced their earnings in the first half of the year had beat previous year's numbers and fulfilled at least half of their full-year targets for 2019.

Smaller banks like TPBank (TPB), Sacombank (STB) and Vietnam International Bank (VIB) also announced positive results.

Other large-cap bank stocks such as Bank for Investment and Development of Vietnam (BID) and Vietinbank (CTG) are also in focus ahead of their reports.

Beside banks, industrial real estate firms' stocks such as Nam Tan Uyen JSC (NTC) and Industrial Urban Development JSC No 2 (D2D) have also increased.

According to Tan Viet Securities (TVSI), shares of banks and industrial real estate firms are running out of momentum as their prices have reached short-term peaks while supportive information begins fading.

For other sectors and industries like brokerage, steel and oil and gas, the earnings season has turned out to be not so good.

The two large-cap securities firms SSI Securities Corp (SSI) and HCM City Securities Corp (HCM) last weekend announced their post-tax profits in the second quarter were 38 per cent and 25 per cent lower than those made in last year's second quarter.

Securities firms went through tough times as global markets were shaken by the US-China trade war and political-geographical tensions around the globe, leading to the modesty of the trading liquidity.

The steel industry has had mixed results among local firms. But the main concern for investors now is how the steel producers will cope with tariffs imposed by the US government on Vietnamese steel exports.

The US is making higher efforts to deal with Chinese exports, which are both exported from China and from third-party countries including Viet Nam.

According to securities firms, the market may turn negative in the next few days as the VN-Index is approaching 990 points – a level that has not been passed since early April.

Stocks will be hit by stronger selling when the VN-Index is near the 990-point level, TVSI said in a note.

A problem on the stock market is that the market growth depends too much on large-cap stocks while small-cap and medium-cap stocks are left behind.

Capital is concentrating on large-cap companies, and if investors look to cash in those stocks and switch to smaller stocks, the market growth will stall and may even fall.

Recent gains are quite short-lived and it takes the market one or two days to decline so that sold shares are absorbed, then the market rises again, Sai Gon-Ha Noi Securities (SHS) said in its weekly report.

It proves investors are trading with appetite for short-term profit and they are willing to sell shares if they reach the expected profitability level, SHS said.

This week, investors will keep their eyes on the US Federal Reserve's meeting on July 27-28, at which investors are betting on the Fed to cut rates, allowing them to tap low-interest loans to benefit local stocks.

3. VN-Index finishes the week on a positive note

The benchmark VN-Index on the Ho Chi Minh Stock Exchange rose 0.64 per cent to close at 982.34 points.

It recovered from the 0.66 per cent drop recorded on Thursday.

The VN-Index gained a total of 0.71 per cent this week.

Banks and other large-cap stocks were the main driving force of the market on Friday.

The large-cap VN30-Index surged 1.15 per cent to end the session at 880.79 points.

Twenty-three of the 30 largest stocks by market capitalisation and trading liquidity in the VN30 basket advanced.

Among the best-performers in the VN30 basket were Eximbank (EIB), Vietcombank (VCB), Techcombank (TCB) and Sacombank (STB).

Other gainers included tech group FPT (FPT), food and beverage producer Masan (MSN), DHG Pharmaceutical JSC (DHG), dairy producer Vinamilk (VNM), property firm Vincom Retail (VRE) and retailer Mobile World (MWG).

Banking, realty, healthcare and pharmaceuticals, retail, technology and food and beverage were the best-performing sectors on Friday.

Those sector indices gained between 0.9 per cent and 2.1 per cent, data on vietstock.vn showed.

Some banks have reported higher earnings reports for the second quarter and the first half of the year such as Vietcombank, Sacombank and Military Bank (MBB).

Therefore, investors were drawn into other banks and firms whose quarterly performance they hope will meet market expectations.

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Net foreign buying was also another driver of the market's growth.

Foreign investors net-bought VND146.7 billion on the Ho Chi Minh Stock Exchange, marking the fourth consecutive day they net-purchased local stocks.

The increase of trading liquidity also proved investors were upbeat about the market's short-term uptrend, Thanh Cong Securities Co (TCSC) said in its daily report.

More than 170 million shares were traded on the southern bourse, worth VND4 trillion (US$172 million).

The figure consisted of more than 160.6 million shares being sold via order-matching transactions, worth VND3.6 trillion.

Investor confidence was also bolstered after a Fed official late Thursday said central banks should cut rates to stimulate their economies in the context of the global slowdown, MB Securities Co (MBS) said in a note.

Recent developments show the market is quite strong financially and the earnings season is expected to drive growth in the short term as large-cap firms release their reports, MBS said.

On the Ha Noi Stock Exchange, the HNX-Index was up 0.31 per cent on Friday to finish at 107.07 points.

The northern market index gained a total of 1.38 per cent in the last four trading days this week for a total weekly gain of 1.14 per cent.

Nearly 28 million shares were traded on the northern bourse, worth VND456 billion

Macro & Policies

4. Vietnam minister warns of FDI projects posing trade fraud risks

Vietnam would shift its foreign direct investment (FDI) attraction strategy towards a greater focus on quality and rejecting those that pose high risks of trade fraud, according to Minister of Planning and Investment Nguyen Chi Dung.

Local provinces have to be more selective and refrain from issuing investment licenses for FDI projects using outdated technologies, high energy consumption and posing risks of trade fraud, Dung said at a meeting held by the Ministry of Planning and Investment (MPI) on July 18.

Dung said certain provinces could still attract labor-intensive FDI projects, but have to ensure other requirements such as technologies, environmental norms and energy-efficiency.

Dung urged local authorities to remain cautious over offering incentives and commitments to foreign investors.

Meanwhile, it is vital to enhance the supervision since the early phase of project implementation, Dung stated, adding government agencies must prevent transfer pricing during the process of enterprise establishment.

Vietnam is scheduled to tighten its standards and technical specifications regarding products, environment, resources and cost efficiency during the process of reviewing FDI projects, Dung continued.

Incentives given to investors would include specific commitments and conditions, Dung asserted.

For large-scale projects, Vietnam could offer superior and highly competitive incentives, while encouraging a greater linkage between domestic and foreign companies, he said.

FDI commitments in the January – June period totaled US$18.47 billion, down 9.2% year-on-year, stated a report of the Foreign Investment Agency (FIA) under the MPI.

Meanwhile, disbursement of FDI projects totaled US$9.1 billion in the six-month period, representing an increase of nearly 8% year-on-year,

Investors have invested in 19 fields and sectors, in which manufacturing and processing continued to attract substantial attention with investment capital of US$13.15 billion, accounting for 71.2% of total FDI approvals.

Real estate was the second most heavily invested, with US$1.32 billion, or 7.2% of total registered capital, followed by retail and wholesale with US$1.05 billion or 5.7%.

The data shows that out of 95 countries and territories investing in Vietnam in the six-month period, Hong Kong (China) took the lead with US$5.3 billion, accounting for 28.7% of total investment, and China at the third place with US$2.29 billion, or 12.4% of the total.

5. Regulator seeks to revoke Zalo's domains

The domains belong to Vietnamese technology firm VNG Corporation.

Nguyen Duc Tho, chief inspector of the department, told the news website VnEconomy that the domains provide social networking services but do not have licenses for it, prompting the department to seek a withdrawal of services.

He said that the inspectorate of the department had sent a notice to VNG 10 days ago so that the corporation could make preparations.

According to the official, the inspectorate required Zalo to acquire a license and imposed a fine on the messaging app last year, but the VNG has ignored the request.

"We offered a grace period for Zalo to apply for a license, in line with State management regulations, but they did not do so," he said.

He said that Zalo is a social network with more than 40 million users, so after much consideration, the department made the decision to withdraw services.

If authorities follow the request of the department, the Zalo domains will not be accessible today, July 19, according to the official.

However, if the enterprise takes corrective action, the department will reconsider, he said.

Launched in December 2012, Zalo has won an increasing number of users due to its capacity for fast and stable communications. The app is one of the leading apps on iOS, Android, Nokia and Windows phones. It has also launched PC and web versions to meet the communications demand of users.

Zalo has improved its products and developed the technical infrastructure needed to maintain its advantage. The app also provides opportunities for cooperation with other parties. Its priorities, however, are the integration of practical services for daily life, such as healthcare, education, information, food and shopping.

In 2014, the Mobile Marketing Association, the world's largest organization in the field of mobile marketing, named Zalo "Publisher of the Year." The association stated that Zalo has made significant efforts to lead media and advertising development on mobile phones and has achieved great success.

6. Options open up in logistics sector

On July 8, Hong Kong-based Symphony International Holdings Ltd. acquired a significant stake in the Vietnamese-based Indo Trans Logistics Corporation (ITL) through a wholly-owned subsidiary. The transaction consideration is approximately $42.6 million.

"The opportunity to acquire this interest in Vietnam's leading integrated logistics company is a good example of our practice of sourcing proprietary opportunities through our own network of business and personal contacts built over 35 years of private equity practice in the region," said Anil Thadani, director of Symphony International.

"ITL's strategic mandate fits well with our strategy to invest in and support businesses that complement and benefit from the rising affluent and middle-class in Asia," Thadani added. "We have looked at several opportunities in Vietnam over the years, and ITL has all the attributes of the kinds of businesses we like to invest in – a proprietary deal, a proven management team, and a business that is well positioned to directly benefit from the growth in the region."

ITL, founded in 2000 as a freight-forwarding company, has since grown to become one of Vietnam's "national champions" and is the largest independent integrated logistics company with a network spread throughout Vietnam, Cambodia, Laos, Myanmar, and Thailand with more than 2,000 employees across its business units and joint ventures.

Also last week Japan's Sumitomo Corporation, together with the Japan Overseas Infrastructure Investment Corporation for Transport & Urban Development (JOIN) and Suzuyo & Co., Ltd., has acquired 10 per cent stake in Gemadept Corporation, Vietnam's leading company in port operation and logistics, in order to participate in the port terminal management business in Vietnam.

According to Sumitomo, Vietnam has seen logistics demand grow as production sites have been relocated to that country as part of "China plus one" corporate strategies, propelled by the tailwind of rapid economic growth and a consequent expansion of consumer markets and by the impact of US-China trade frictions.

Container cargo handling volume in 2017 exceeded 12 million twenty-foot equivalent units (TEU) cargo capacity and, with growth expected to outpace the GDP growth rate of 6.5 per cent as per

International Monetary Fund forecasts, handling volume should reach about 23 million TEU capacity by 2025. Logistics infrastructure is expected to expand further as part of industrial infrastructure.

Gemadept owns and operates a total of seven ports from north to south, including the ports of Nam Hai, Nam Hai Dinh Vu, Nam Dinh Vu, and the Gemalink deep-sea project. The company handled 1.7 million TEU in container cargo in 2018, giving it a 12 per cent share nationwide and making it the second-largest container terminal operator in Vietnam. Gemadept is also engaged in a broad range of logistics-related businesses, including distribution centres, transportation, project cargo transport, airport cargo terminal operation, and shipping.

In making the investment, Sumitomo concluded a business tie-up and nominated a board member who was elected at Gemadept's 2019 annual general meeting (AGM) with the aim of strengthening relations and collaboration opportunities. Sumitomo will also be seeking to establish wide-area smart logistics that will enable it to optimise logistics costs and time, reduce environmental impacts, and improve cargo security with technology solutions based on the Internet of Things.

By teaming up with JOIN and Suzuyo for this investment, Sumitomo is looking to achieve greater logistics efficiency that will improve the convenience and competitiveness of companies and communities in Vietnam, including tenant companies in industrial parks, and thereby contribute to the economic growth of Vietnam and neighbouring countries.

Le Duy Hiep, chairman of the Vietnam Logistics Business Association, said that foreign logistics companies, especially those from Japan and South Korea, have had a presence in Vietnam for the past decade. In recent years, newcomers are flocking to the market to capitalise on a rising demand for logistics and increases in import and export activities.

"In addition, overseas logistics firms are fastening up operations in the delivery sector to serve the fast-growing e-commerce market in the ASEAN, including Vietnam. In particular, they have become more active in mergers and acquisitions (M&A) by taking over stakes in local logistic service providers," Hiep said.

According to 2018's Vietnam Logistics Report by the Ministry of Industry and Trade, M&A activities have maintained a growing momentum since 2017 when more foreign companies sought entrance into the Vietnamese market. One of the major deals in 2017 was CJ Logistics' purchase of a large stake in Gemadept. The South Korean logistics provider acquired 49 per cent of Gemadept Shipping and 51 per cent of Gemadept Logistics Holdings.

Speaking at Gemadept's 2019 AGM, deputy general director Nguyen Thanh Binh said that investors will increasingly inject capital in logistics assets apart from human resources and technology. The M&A strategy helps stakeholders to improve competitiveness in the market and that Gemadept is looking for M&A opportunities with other companies in the transport and distribution fields to complete its ecosystem.

He further noted that in light of the strategy, Gemadept posted an annual growth of 20-30 per cent for its logistics businesses, higher than its average growth of 15 per cent annually.

According to Hamza Harti, managing director of FM Logistic Vietnam, the industry is gaining maturity on a yearly basis, with many international investors deciding to enter the market. Harti attributed the interest to strong and sustained GDP growth, a young population with increasing purchasing power, a growing modern retail market, and an expansion in export-import turnover.

According to the General Statistics Office, Vietnam's trade turnover in the January-June period hit $245.48 billion, an all-time high for the six-month period.

Also, the country's Decree No.163/2017/ND-CP enacted in December 2017 concerning the removal of restrictions on the commercial presence of foreign investors in the logistics sector is forecast to give a push to the local market.

"In light of the incredible growth of the industry, the demand for logistics services will ¬surge, leading to ¬immense opportunities for business development," said Vaibhav Saxena, lawyer at the Vietnam International Law Firm.

"With the removal of restrictions on the form of commercial presence of foreign investors, Decree 163 will considerably enhance the flow of FDI into Vietnam's logistics, and encourage the sustainable development of this sector in all modes of transportation," he said.

Vietnam ranked above Thailand to join the top 10 markets in the UK's Transport Intelligence's 2019 Agility Emerging Markets Logistics Index, which evaluates the overall competitiveness of 50 emerging markets based on logistics strength.

According to Agility, Vietnam's international logistics market was the standout driver of its overall performance in the 2019 index. It rates as the fifth-largest market for intensive goods trade by value, and advantage expected to strengthen further as growth in both imports and exports is hoped over the next five years.

7. Two-way benefits through EU deal

Gabriella Marchioni Bocca, president of Italy's National Association of Manufacturers of Footwear, Leather Goods, and Tanning Technologies (Assomac), said that Italian companies are paying special attention to Vietnam as a promising business destination, especially in the footwear sector.

Last week, a delegation of 32 Italian firms - participated in the Shoes & Leather Vietnam 2019 event in Ho Chi Minh City to explore market - opportunities in the field. At least two Assomac members, which have a large customer base in - Vietnam, are mulling over the idea of establishing factories here.

According to Bocca, Vietnam is now the world's second-largest footwear exporter by volume, thanks to huge investment capital inflows into the sector. A slew of footwear and leather producers are looking to invest in the country, so Assomac's members hope to boost their sales of equipment and machinery, in order to help Vietnam meet the rising demand.

She also noted that her company, Lamebo, has been supplying the leather industry with splitting band knives for nearly 15 years. Over the past years, the firm has recorded a growth in sales, but is still performing below their potential. Bocca expected that the signing of the EU-Vietnam Free Trade Agreement (EVFTA) will help her company achieve better results in the future.

Meanwhile, Paolo Lemma, director of the Italian Trade Commission (ITC) in Vietnam, said that Italian multinational companies are relocating their businesses to Vietnam amid the ongoing trade war between the US and China, which will create additional demand for advanced technology and machinery from Italy.

Italy is Vietnam's second-largest supplier of machinery and equipment for the footwear and leather sector, behind China. The value of Italian machinery exports has climbed nearly 10 times over the past five years, from €3.4 million ($3.8 million) in 2013 to €31.7 million ($35.7 million) in 2018.

In addition to footwear, European companies are keen on the pharmaceutical field. Peter Harasimowicz, manager of the Polish Investment and Trade Agency, told VIR that pharmaceuticals will be one of the most enticing sectors for foreign investment from Polish companies. Specifically, through the EVFTA, almost half of EU pharmaceutical products will be exempt from customs duties upon the agreement's entry into force. The remaining duties will be gradually eliminated over a period of seven years. Currently, the duty rate sits at 8 per cent.

Poland produces over $3 billion in pharmaceutical products annually and is the largest pharmaceutical manufacturer in Central Europe, sixth in the EU, and 22nd in the world. More than 8 per cent of Poland's total exports to Vietnam are pharmaceuticals. In fact, Poland's largest investment in Vietnam comes from pharmaceutical company Adamed Group.

Meanwhile, the EVFTA also opens the door to new opportunities for agricultural producers in both countries. Vietnam and Poland are both major producers and exporters in the agricultural sector, and related products are a key marker in bilateral trade between the two. In 2018, Vietnam exported $226 million worth of agricultural products to Poland, accounting for 12 per cent of total exports. Meanwhile, the EU member nation exported $132 million to Vietnam, accounting for nearly 50 per cent of total Polish exports to this country.

Vietnam is focusing on improving its agricultural technology, by investing in specialised agriculture fertilisers and machinery. Poland imports many products produced in Vietnam such as rice, citrus fruits, bananas, and coconut oil. Dairy products are also one of the largest export product groups from Poland to Vietnam.

Harasimowicz said that trade and investment - between the two has been developing well in recent years. Poland's projects in Vietnam are mainly 100 per cent Polish-owned, focusing on real estate business, manufacturing, the processing industry, and IT. This trend is expected to grow in the future, following the signing of the EVFTA on June 30, 2019.

Ultimately, the agreement assumes the elimination of over 99 per cent of duties on commercial goods. When the agreement comes into effect, Vietnam will abolish 65 per cent of its import duties on goods from the EU. The - remaining duties will be gradually eliminated over a period of 10 years.

The provisions of the agreement are expected to boost European investment in Vietnam. Swedish packaging company Tetra Pak recently opened its first factory for carbon packaging materials in the southern province of Binh Duong.

Covering a total area of 100,000 square metres, the project has a total investment capital of €120 million ($135.3 million). The new factory will put Vietnam on Tetra Pak's global supply chain map, and it will not only serve food and beverage producers within the country, but also across Southeast Asia and Oceania.

Meanwhile, German technology firm Bosch Vietnam announced its plan to invest €86 million ($100 million) to expand its factory in Vietnam within the next five years. According to Guru Mallikarjuna, managing director of Bosch Vietnam, the country is a growing automotive market for the group.

In 2018, the firm established a regional hub for its two-wheeler and power sports division in Vietnam, to address the fast-growing market in Southeast Asia.

According to the Vietnamese Ministry of Planning and Investment, investors from 23 out of 28 EU member states have registered more than $24 billion into nearly 2,200 projects over the course of the past 28 years. An increasing number of European companies are establishing in Vietnam to set up a hub to serve the Mekong region.

In the ASEAN, Vietnam is the second country after Singapore to have signed a trade agreement of such size and stature with the EU. Thus, Vietnam is likely to surpass other regional peers in the race to attract FDI from European companies.

As reported by the Bangkok Post, Pimchanok Vonkorpon, director general of the Thailand Trade Policy and Strategy Office, warned that automotive suppliers in Thailand should prepare for many car makers to relocate manufacturing facilities to Vietnam.

Meanwhile, production of computers, related components, and electric circuits also faces relocation to Vietnam because the country is now competitive enough to develop its own electronics industry. Other sectors that could see a positive impact include garments and textiles, jewellery and accessories, rice, and processed seafood.

8. Domestic firms drag down country's trade surplus

According to the General Department of Vietnam Customs, Vietnam exported US$21.43 billion worth of products and spent US$19.49 billion on imports last month, helping the country enjoy a trade surplus of US$1.93 billion in June and a trade surplus in the first six months after a trade deficit of US$434 million in the January-May period.

In the first half of the year, the nation fetched some US$122.53 billion from exports, while its import bill reached US$120.94 billion, up 7.2% and 8.9% year-on-year, respectively.

Of the total, the FDI sector contributed US$84.45 billion in exports and US$69.41 in imports.

The customs' report also showed that Asia accounted for the largest proportion of Vietnam's total import-export turnover in the period, at US$159.69 billion, but Vietnam ran a trade deficit of US$34.7 billion with this market.

Meanwhile, American countries reported the highest growth rate in trade value with Vietnam, at 20.9% over the same period last year, reaching US$44.06 billion.

9. Vietnam's Phu Cat airport goes international in September

The airport has drawn upon VND10 billion ($429,000) funding from Airports Corporation of Vietnam (ACV) for terminal repairs and upgrades, and all work will be completed by the end of August.

That will see its older terminal will be converted to an international terminal, while the newer one continues to serve domestic flights, says the Civil Aviation Authority of Vietnam (CAAV).

Cirium's schedules data shows the airport services domestic routes to Hanoi and Ho Chi Minh, operated by Vietnam Airlines, Bamboo Airways, VietJet Air, and Jetstar Pacific. So far, it has handled Airbus A320 and A321 jets.

Phu Cat airport has secured commitments from Vietnam Airlines, Bamboo Airways, and VietJet Air to launch international flights once the airport upgrades are complete and certified. Together, the airport and carriers are also working with tour operators to attract tourists.

Vietnam Airlines will launch international flights to China, four times weekly, while Bamboo has plans for direct flights to Seoul, starting September.

Vuong Tran Quang Tran, Bamboo Airways' chief representative in Binh Dinh province, says the carrier's three domestic routes between Qui Nhon and Hanoi, Ho Chi Minh, Hai Phong are operating at more than 90% capacity. As such, offering international flights to the region is the carrier's top priority.

"Launching more international flights at Phu Cat airport will meet the travel needs of both domestic and international tourists, and promote the province's social and economic development," he adds.

Corporate News

10. DRC: BOD resolution dated July 17, 2019

↑ 1.28%

The Board resolution dated July 17, 2019, Danang Rubber Joint Stock Company approved the following issues:

Approving the business result in Q2.2019 (unaudit) and first six months of 2019:

Q2.2019:

- Revenue: 1,138 billion dongs
- Profit before tax: 88 billion dongs.

First 6 months of 2019:

- Revenue: 1,935 billion dongs
- Profit before tax: 109 billion dongs.

Approving the business plan in Q3.2019 and first 9 months of 2019:

Q3.2019:

- Revenue: 1,091 billion dongs
- Profit before tax: 60 billion dongs

First 9 months of 2019:

- Revenue: 3,094 billion dongs
- Profit before tax: 169 billion dongs.

11. Construction firm Coteccons prepares for revenue and profit to fall

↑ 0.09%

The company expects profit to decrease by 14 per cent against 2018, at VND1.3 trillion.

In the second quarter of 2019, Coteccons's net revenue hit VND5.8 trillion, down 30 per cent over the same period last year. Cost of goods sold accounted for nearly 97 per cent in net revenue so the company recorded only nearly VND184 billion in gross profit, down 67 per cent compared to 2018.

In the period, revenue from financial activities reached nearly VND72 billion, with a major part from bank deposits.

After deducting expenses, post-tax profit in Q2 only touched VND124 billion, down by 71 per cent year-on-year. This is the lowest quarterly profit that Coteccons has recorded since the first quarter of 2015.

In the first six months of 2019, net revenue of Coteccons was estimated at VND10 trillion, down by 20 per cent year-on-year. Post-tax profit stood at VND312.6 billion, down by more than half compared to that recorded in the first half of 2018.

As of the end of June this year, Coteccons's total assets totalled more than VND15.5 trillion, down VND1.2 trillion compared to the beginning of the year, mainly due to a reduction of short-term receivables.

Total liabilities reached nearly VND7.6 trillion, down by VND1.3 trillion compared to the beginning of the year. Equity touched VND8 billion.

Recently, KIM Viet Nam Growth Equity Fund has purchased 260,000 shares of Coteccons, thereby raising the ownership of the Korean fund group in Coteccons from 7.68 per cent to 8.02 per cent. VOF Investment Limited Fund, managed by Vinapital, has also bought an additional 50,000 shares to increase its holding to 7 per cent.

Coteccons shares closed Thursday down 1.33 per cent to end at VND111,000 each.

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