



VIETNAM DAILY NEWS

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Market Analysis

1. Global uncertainties dampen local stock market

Nguyen The Minh, head of analysis at Yuanta Securities Vietnam, told local stock news website Tin nhanh Chung khoan that the market would be strongly affected by recent geopolitical developments, especially the trade conflict between the world's two largest economies, which may dampen investor sentiment and raise their caution.

Despite the interest rate cuts by central banks worldwide, U.S.-China trade tensions and the fluctuation of the Chinese yuan had also put investors on edge, according to market researcher Ngo Quoc Hung from MB Securities.

On Monday, the market breadth was neutral with 147 advancers and 153 losers, and the benchmark VN-Index edged up 0.1% from Friday's session to close at 975.31 points.

Nearly 175 million shares worth VND3.7 trillion changed hands on the HCMC bourse, down 9.2% in volume but up 18.3% in value. Of these, block deals accounted for some 48.8 million shares worth VND1.1 trillion.

Fourteen stocks in the VN30 basket made slight gains. For example, housing developer VHM and lender TCB added 0.24% and 0.25% to end the day at VND84,200 and VND20,250 per share, respectively.

Among bank stocks, VCB fell a further 1% at VND77,700 while its fellow BID was up 1.9% after its slight decline in the morning, at VND35,330, and saw more than 1.3 million shares changing hands.

Thanks to strong demand in the afternoon, construction firm ROS made a 1.1% increase to end at VND27,400 and led the market by liquidity with matching volume of more than 12.6 million shares.

On the Hanoi Stock Exchange, the HNX-Index was up 0.03% versus the previous session at 102.82 points. The northern bourse saw some 21.5 million shares worth VND296.4 billion changing hands, down 6.8% and 3.6%, respectively.

Among blue chips, lender ACB, stone manufacturer VCS, gasoline producer PVB, and real estate firm L14 were in positive territory.

In contrast, insurer PVI, apparel producer TNG and detergent producer DGC were the main drags.

Construction developer PVX was still the best performer by liquidity with more than 3.3 million shares changing hands, and closed the session at its reference price of VND1,300 per share.

2. Food and beverage firm posts highest cash dividend payout rate

Vinacafe Bien Hoa (HoSE: VCF) plans to pay a 240 per cent dividend in cash for 2018, meaning every shareholder will receive VND24,000 (US\$1.03) for each share they own.

In 2018, the company earned VND3.43 trillion (\$147.5 million) in revenue and VND637 billion in post-tax profit, up 6 per cent and 72.5 per cent respectively from the previous year.

With nearly 26.58 million shares listed on the Ho Chi Minh Stock Exchange (HoSE), the company

will have to pay nearly VND638 billion in the upcoming dividend payout.

Vinacafe Bien Hoa will finalise the list of beneficial shareholders on August 19 and the payments will be made on August 30.

In 2018, the company made a 660 per cent dividend payout for its 2017 results – the highest dividend payout rate in the history of the Vietnamese stock market.

The firm's 2017 payment was worth VND1.75 trillion. The historical dividend payment was widely considered a bonus for shareholders after the company was acquired by Masan Beverage for more than VND1.7 trillion.

Masan Beverage, a member unit of Masan Group, holds nearly 98.5 per cent of the southern coffee making firm.

Shares of Vinacafe Bien Hoa have soared 22 per cent since July 31 to end Monday at VND212,100 per share.

The company is one of the top three coffee firms in Viet Nam. In 2018, the value of the coffee retail market was nearly VND8.5 trillion, up 6 per cent year on year.

Consumer staple firms, especially food and beverage producers, maintained good earnings growth in the second quarter of 2019, VNDirect Securities Corp said in its Q2 earnings report on August 7.

Those companies will record good results in upcoming quarters because domestic consumption is forecast to keep growing, the brokerage firm said.

Recently, the online services provider FPT Online (UPCoM: FOC) announced it would make the first advance dividend payment for 2019 in cash.

The payout rate is set at 100 per cent. Every shareholder will receive VND10,000 for each share they have.

The company in January and May paid a total of VND192.23 billion for its 2018 dividend payouts. The payout rate was set at 130 per cent and cash was disbursed in two payments.

FPT Online debuted on the Unlisted Public Company Market (UPCoM) on December 10, 2018. Its shares ended 1.7 per cent at VND137,000 per share on Monday.

In 2018, FPT Online posted a 3.4 per cent increase in total revenue and a 0.44 per cent rise in total pre-tax profit compared to the previous year. The figures stood at VND537.8 billion and VND315.2 billion, respectively.

On Thursday, Industrial realty developer Nam Tan Uyen (UPCoM: NTC) will pay the remaining 100 per cent cash dividend for 2018. Its first 100 per cent cash dividend payout for 2018 was made in late January 2019.

The total value of the dividend payment is VND320 billion.

In 2018, the company's full-year revenue jumped 3.6 times to VND532 billion and its post-tax profit soared 3.3 times to VND469 billion from 2017.

Nam Tan Uyen shares have skyrocketed by 92 per cent since May 6 to hit VND187,000 per share.

According to MB Securities Co, rising trade tensions between the US and China have forced foreign investment and capital to move from China to other regional markets, including Viet Nam.

The low cost of labour and land are key factors making Viet Nam's industrial parks attractive to foreign investors, MBS said in a report in June.

In addition, free trade agreements signed between Viet Nam and its trade partners will foster the growth of the industrial real estate sector in the near future, MBS said.

3. VN stocks post small gains amid poor market sentiment

The benchmark VN-Index on the Ho Chi Minh Stock Exchange inched up 0.10 per cent to close at 975.31 points.

The VN-Index lost 1.69 per cent in total last week.

More than 174.5 million shares were traded on the southern bourse, worth VND3.8 trillion (US\$163.4 million).

The Vietnamese stock market was clouded by heavy caution among investors as they found both

the macroeconomy and business community lacked supporting information.

The US-China trade war continued to cast a shadow over global stock markets, according to MB Securities Co (MBS).

To deal with US trade tariffs and the outflow of foreign capital, China has depreciated its currency to below seven per dollar. In addition, the Chinese government is planning to launch its own cryptocurrency to stabilise and strengthen its economy against external factors.

Those developments have all but confirmed predictions no trade pact will be reached before the US presidential election in 2020.

In addition, the corporate earnings season is drawing to a close without any extraordinary results, further dragging down investor sentiment, Thanh Cong Securities Co (TCSC) said in its daily report.

Net foreign selling also had a negative impact on the market. Foreign investors net-sold VND18 billion (\$776,000) on the Ho Chi Minh Stock Exchange.

Poor market sentiment brought down 153 stocks on the southern market while 147 stocks increased.

Large-cap companies performed well, pulling the blue-chip VN30-Index up 0.41 per cent to 882.23 points.

In the VN30 basket, 14 of the 30 largest stocks by market capitalisation and trading liquidity increased while 12 declined.

Technology and retail stocks were the best performers as their sector indices gained 0.9 per cent and 2 per cent respectively, data on vietstock.vn showed.

Driving those sectors up were FPT Corporation (FPT), Digital World (DGW) and Mobile World (MWG), which all rose by between 0.9 per cent and 4 per cent.

According to TCSC, current conditions will keep the market stagnant. The market will continue searching for consolidation before rising again.

In the next day, the VN-Index could stay flat and hover in the 969-983 point range and investors are expected to sell more to preserve their portfolios, according to Sai Gon-Ha Noi Securities (SHS).

On the Ha Noi Stock Exchange, the HNX-Index ended the day at 102.82 points, almost unchanged from Friday's close of 102.79 points.

The HNX-Index fell a total of 0.12 per cent last week.

More than 29 million shares were traded on the northern market, worth VND361 billion.

Macro & Policies

4. Chinese contractor responsible for Cat Linh-Ha Dong project's slow progress

The ministry has sent a response to the Hanoi delegation of National Assembly deputies regarding a request from voters to clarify the reasons for the delay and those responsible at long-delayed projects, such as the Cat Linh-Ha Dong urban railway project, the local media reported.

Accordingly, the ministry pointed out 12 causes for the slow progress and cost overruns of the railway project, including the Chinese contractor's lack of experience and delays in the mobilization of additional investment for the project.

In addition, the ministry and the project management board accepted responsibility for the project's mismanagement. The design consulting firm is responsible for the set-up of the investment project, and the Hanoi government must take the blame for delays in the handover of the cleared site for the project.

Meanwhile, the construction supervision consultant will be answerable for the

construction, progress, quality and costs of the project.

Despite the direction of the Ministry of Transport and the relevant agencies, the project has moved at a snail's pace.

The ministry has reported obstacles affecting the project's execution to the prime minister, the Office of the Party Central Committee, the Ministry of Foreign Affairs and the Chinese Embassy in Vietnam to seek solutions to complete the project as quickly as possible.

The funding needed for the railway project has surged from the initial estimate of VND8.7 trillion in 2008 to a staggering VND18 trillion.

The project was started in October 2011 and was initially scheduled for completion in June 2014, but it has yet to be put into operation.

5. VN's motorcycle market ranks 4th despite H1 sales decline

Honda, which tops the market, remained stable, while all other manufacturers saw a decline in sales, with Yamaha down 20 per cent. The new local producer, VinFast, was welcomed by the market, according to the website.

Despite the six-month sale reduction, Viet Nam maintained its position as the world's 4th largest motorcycle market, with more than three million vehicles sold each year. It remains a manufacturing cluster involving top brands, such as Japan's Honda, Suzuki and Yamaha, Taiwanese SYM and the Italian Piaggio. These brands account for over 97% of the market share.

According to the website, the outlook for the local market in 2019 is still positive, considering the

economy will maintain momentum and experts foresee a growth between 3 and 5 per cent.

In 2018, the domestic market hit an eight-year high in sales, with 3.38 million bikes (including both local producers and imported vehicles). With the positive figure, Viet Nam stands behind India, China and Indonesia in terms of motorbike sales.

According to insiders, the Vietnamese motorcycle market is considered to be very saturated but still has potential. The market has clearly polarised into separate affordable and high-end segments as many people now see their vehicles as more than just a means of transport.

6. Noi Bai Airport's adjustment plan to be publicised this year

The statement was released by Minister Nguyen Van The in a document answering questions from Hanoians about the airport.

The said with the Government's plan to expand and improve the capacity of Noi Bai Airport, it will reach about 80-100 million passengers per year after 2030.

“To ensure the quality of the expansion and detailed planning project, as well as avoid becoming overloaded like Tan Son Nhat International Airport, the ministry has proposed the French Government finance the technical assistance project studying the plan of expanding and adjusting the detailed planning of Noi Bai Airport by 2030,” The said.

“The fund is expected to use non-refundable aid from the French Government FASEP Fund,” he added.

The minister said ADPi, an airport architecture and technical design consulting company, selected by the French Government has been working on the project since mid-June this year.

ADPi will review the plan for Noi Bai Airport, which was approved by the Prime Minister in Decision No. 590/QD-TTg dated May 20, 2008 and propose an expansion plan to ensure compliance with the development of the airport, including construction investment and site clearance costs.

After ADPi's proposal is approved by the competent authority (which is expected in the third quarter of next year), the ministry will direct relevant agencies and units to mark out construction boundaries in the five surrounding communes as planned.

From now to 2030, the Noi Bai Airport will have a third runway and passenger terminal with a capacity of 25 million passengers increasing the airport's total capacity to 50 million passengers by 2030.

After 2030, the fourth runway will be built, raising the total capacity of the airport to 90 million passengers.

7. Hanoi and Quang Ninh boost linkage for enhanced trade, economic ties

Hanoi and Quang Ninh province are expected to expand cooperation and strengthen their linkage on the basis of mutual interest and advantages of each party.

The move would support ongoing efforts from both Hanoi and Quang Ninh for better business environment, while promoting startup and innovation, stated leaders from two municipal Party Committees in a meeting on August 10.

Secretary of the Hanoi Party Committee Hoang Trung Hai said Hanoi gives priority to improving provincial linkage with other cities and provinces in Vietnam, supporting their efforts in holding trade and investment promotion events in Hanoi.

Hanoi has been maintaining close relation with Quang Ninh, which is part of the northern economic triangle formed by Hanoi, Hai Phong

and Quang Ninh, for trade promotion, administrative reform and tourism development, among others, Hai added.

Recently, Hanoi and Quang Ninh have frequently exchanged information regarding the implementation of development plans for the Hanoi – Hai Phong – Quang Ninh economic triangle, as well as the master plan for the Northern region, which was based on the master plans of the Red delta region and key northern economic zone.

Hanoi and Quang Ninh have signed memorandum of understanding for promoting trading activities among Lao Cai, Yen Bai, Phu Tho, Vinh Phuc, Hanoi, Hung Yen, Hai Duong, Hai Phong, Quang Ninh, Bac Giang, Bac Ninh, Son La, Vietnam Trade Promotion Agency under the Ministry of Industry and Trade, and the Trade Department in China's

Yunnan, aiming to utilize efficiently the economic corridor of Kunming – Lao Cai – Hanoi – Hai Phong – Quang Ninh.

The expressway connecting Hanoi, Hai Phong and Quang Ninh's Ha Long is considered a central piece in upgrading transport infrastructure towards greater provincial linkage among Hanoi, Hai Phong and Quang Ninh, serving as a driving force the economic triangle.

Once completed, the Hanoi – Hai Phong – Ha Long – Mong Cai expressway and the Bach Dang bridge connecting Hai Phong with Ha Long along with the Lao Cai – Hanoi expressway would become the longest expressway in Vietnam.

Meanwhile, Van Don International Airport, which came operational in December 2018, has been

contributing positively to the sustainable development of northern economic triangle.

The tourism departments of Hanoi, Hai Phong and Quang Ninh previously signed a cooperation program for tourism development in the 2016 – 2020 period, focusing on enhancing state management in tourism activities and supporting the development of tourism products for better services quality and higher competitiveness.

As part of the cooperation, Hanoi and Quang Ninh have agreed on cooperating in socio-economic development, boosting industrial sector, trade and tourism in the northern region.

The two regions would join hands in carrying out trade promotion programs, stepping up efforts to expand export markets, applying technologies and e-commerce.

8. Vietnam emerges as a global pharmaceutical hub

International drugmakers are increasingly cashing in on the potential of the Vietnamese market, helping the country emerge as a global pharmaceutical hub, experts said.

The European Chamber of Commerce in Vietnam (Eurocham) has recently highly valued the potential of Vietnam to become a center for the research-based pharmaceutical industry including production, export and supplies of high-quality healthcare services in the ASEAN region.

Pharma Group (PG) – the Pharmaceutical Sector Committee of EuroCham, which represents the voice of the international research-based pharmaceutical industry in the country – has highlighted that Vietnam has many advantages in the sector thanks to its population of 95 million, stable political climate and trained human resources. In addition, it is the gateway to ASEAN countries.

Vietnam wants to clearly see the transition from production to innovation, research and development, services and e-healthcare, PG said.

Analysts from financial information services provider Fitch Group also said that Vietnam's positive market outlook coupled with a constantly

improving healthcare system and favorable business and legislative environment are the main factors of growing interest from foreign drugmakers, including Pfizer, Taisho Pharmaceuticals and Kimia Pharma.

Favorable conditions

According to experts, the boost in attractiveness of the Vietnamese market comes at a time when the business environment for drugmakers in neighboring countries has not been favorable. In December 2018, Indonesia enacted a regulation for the compulsory licensing of every medical product that is not being made in the country. This is expected to have significant negative consequences for foreign direct investment in the country, with Vietnam being among the beneficiaries of pharmaceutical companies shying away from Indonesia.

“This, combined with the geopolitical position of Vietnam, places the country in a favorable position to become a regional pharmaceutical research and export hub,” Fitch analysts said.

Besides, trade agreements and legislative changes in Vietnam will also enhance positive sentiment among drugmakers.

The Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) requires each of 11 member countries to have a system of pharmaceutical patent linkage, which means that prior to granting marketing approval to any generic drug, Vietnam must notify the original drug's patent holder of the generic drug's application for approval.

This provides the patent holder with sufficient time to seek judicial or administrative proceedings for the resolution of disputes concerning the validity or infringement of an applicable patent. Vietnam may alternatively adopt a non-judicial regime to preclude the issuance of marketing approval to generic drugs based on the available patent-related information.

Moreover, recent changes in legislation bode well for the presence of global drugmakers in Vietnam. In an effort to further attract pharmaceutical firms, the government brought into effect a law according to which only drug business establishments are allowed to hire medical representatives. Notably, a representative office cannot hire new medical representatives, as the

definition of drug business establishments excludes representative offices.

Besides, Deputy Minister of Health Truong Quoc Cuong said governmental Decree No.155/2018/ND-CP has many positive changes towards reducing procedures, thus creating favorable conditions for businesses in tenders, drug imports, and others. The decree provides quicker access to the Vietnamese pharmaceutical market by making the import license procedure clearer and simpler.

Under the decree, to obtain an import license, no full clinical documents on efficacy and safety are required. In the case of drugs that had previously been granted an import license, there is no need to submit clinical documents when requesting a new import license, unless the drug has undergone major changes.

The loosening of the importation criteria and the expected increase in the presence of global drugmakers is likely to further bolster the local pharmaceutical and healthcare market.

9. Vietnam's F&B - a magnet for foreign investors

Backed by Vietnam's rapid economic growth and a sizeable market with a population of over 96 million, the country's food and beverage (F&B) sector is proving to be a magnet attracting foreign investors looking for business opportunities here.

At a conference discussing the potential cooperation between enterprises from two countries in the F&B sector held recently by the Consulate General of India in Ho Chi Minh City in collaboration with the Ministry of Industry and Trade (MoIT), Indian companies commented that Vietnam is a major player in agricultural production and among the world's largest exporters of rice, coffee, cashew and peppercorn. The country, however, is also a large importer of food stuffs.

In 2018, India exported to Vietnam fisheries worth US\$344 million, vegetables worth US\$39 million and corn worth US\$24.86 million, according to the General Statistics Office (GSO). Meanwhile, the former bought in Vietnam's US\$62.2 million worth of peppercorn, US\$34.8

million worth of cashew nuts and coffee worth US\$95.6 million.

Ramesh Anand, chairman of the India Business Chamber in Vietnam (INCHAM), said with growing disposable income and strong growth of the tourism sector, Vietnam's market of over 96 million users would spur higher consumption in the F&B sector, indicating strong potential for the sector's development.

Anand noted recent trade deals such as the Comprehensive and Progressive Trans - Pacific Partnership (CPTPP) and the EU-Vietnam Free Trade Agreement (EVFTA) are expected to pave the way for greater access to the Vietnam's F&B market for foreign companies, which is one of the reasons pushing India companies to look for business opportunities in Vietnam.

Similarly, Polish enterprises are expanding cooperation with their Vietnamese partners in agricultural trade and food processing.

Head of Poland's Trade and Investment Promotion Agency in Ho Chi Minh City Piotr Harasimowicz said both countries are key producers and exporters of agricultural products, a key pillar in bilateral trade relations.

As Vietnamese companies push for modernization of the agricultural sector, Polish companies could provide them with machinery and equipment, Harasimowicz added.

At a conference held on August 8, Vice President of the Association of Polish Butchers and Producers of Processed Meat Piotr Ziemann informed Polish companies considered Vietnam a

major market, especially as Vietnam is currently its largest partner in ASEAN.

Chairwoman of the Food and Foodstuff Association of Ho Chi Minh City Ly Kim Chi attributed the high growth rate of the F&B sector, which reaches 7% per year and accounts for 15% of the country's GDP, to huge interest from foreign investors.

Chi added the F&B sector is an important industrial sector in Vietnam, and one of four priority fields for development in Ho Chi Minh City with growth rate of 8.22% per year for food stuff and 5% for beverage in 2018.

Corporate News

10.BIC: Record date for 2018 cash dividend

↑ 0.00%

On August 09, 2019, the Hochiminh Stock Exchange issued Announcement No.1065/TB-SGDHCM about the record date of BIDV Insurance Corporation as follows:

- Ex-right date: August 16, 2019
- Record date: August 19, 2019
- Reason & purpose: to pay cash dividend for 2018

- Content:

Exercise ratio: 7%/par value (700 dongs/share)

Payment date: September 12, 2019

Place of payment:

+ Shareholders whose shares have been deposited: at the securities firms where the shares have been deposited.

+ Shareholders whose shares have not been deposited: at BIDV Insurance Corporation.

11.CTD: Report on Change in Ownership by Major Shareholders

↓ -3.13%

Report on Change in Ownership by Major Shareholders of Coteccons Construction Joint Stock Company as follows:

File Attachment

[20190812_CTD-190812-Report-on-Change-in-Ownership-by-Major-Shareholders.pdf](#)

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