



VIETNAM DAILY NEWS

August 16th, 2019



Table of content

Table of content

- 1. VN shares buoyed late in trading**
- 2. Vietjet offers cheap tickets on domestic routes**
- 3. Vietnam Airlines cooperates with Delta Air Lines**
- 4. Construction Ministry agrees to put Phu Quoc SEZ plan on hold**
- 5. Vietnam seeks to boost tourism with neighboring countries**
- 6. Tax exemptions proposed for assemblers of green autos**
- 7. BMI: BMI asks for the extension of submission of financial statements**
- 8. CII: Report on Change in Ownership by Major Shareholders**

Market Analysis

1. VN shares buoyed late in trading

The benchmark VN-Index on the Ho Chi Minh Stock Exchange gained 1.08 per cent to close at 979.38 points, for a two-day increase totalling 1.30 per cent.

The VN-Index fell as much as 1.36 per cent in the early stages of the day before rebounding.

As trading opened on Thursday, the Vietnamese stock market was weighed down by worries about the global economic outlook, MB Securities Co (MBS) said in its daily report.

But purchasing as the VN-Index hit 955-point level helped lift the market up, the report said.

Purchases of local assets were even stronger in the afternoon trading session after investors received good news about the relationship between the US and China, the company added.

Global stocks were also lifted after the presidents of the US and China talked about a meeting to resolve the situation in Hong Kong and continue their trade talks.

Large-cap stocks played the main role in lifting the market.

The blue-chip VN30-Index rose 1.17 per cent to end at 890.78 points with 19 of the 30 largest stocks by market value and trading liquidity advancing.

Among the gainers in the VN30 basket were brewer Sabeco (SAB), dairy producer Vinamilk (VNM), Vietcombank (VCB), realty group Vingroup (VIC) and retailer Mobile World (MWG). They all increased by between 2 per cent and 3.5 per cent.

Those companies' sector indices were up by between 0.8 per cent and 1.8 per cent, data on vietstock.vn showed.

The market's trading liquidity was also higher than in the previous day.

Nearly 183 million shares were traded on the southern bourse, worth VND4.3 trillion (US\$185 million).

The figure included more than 131 million shares, worth VND2.8 trillion, being traded via order-matching transactions.

The increase of order-matching value from the previous day (VND2.68 trillion) given the VN-Index touching its previous short-term bottom of 955 points indicated the VN-Index may keep rising in the next few days, MBS said.

Market sentiment was also supported by reduced net foreign selling – VND70 billion on Thursday. Foreign investors net-sold VND225 billion on Wednesday.

However, as the VN-Index was heavily dependent on large-cap stocks, the recovery may be short-lived and it will be harder for investors to look for opportunities, Thanh Cong Securities Co (TCSC) said in its report.

The growth of the VN-Index, if any, may not be too strong because there is not much supporting information and global markets are likely to retreat at any time, the company added.

On the Ha Noi Stock Exchange, the HNX-Index dropped 0.32 per cent to end at 101.66 points.

The northern market index has lost a total of 1.13 per cent in the last three trading days.

Nearly 22.6 million shares were traded on the northern market, worth VND317.5 billion.

Macro & Policies

2. Vietjet offers cheap tickets on domestic routes

"The promotional tickets to fly from the north and central region to the south are up for grabs during the whole golden week until next Thursday at www.vietjetair.com and Vietjet Air mobile app," the budget airline said in a statement.

The tickets are for all domestic routes from September 5, 2019 to March 28, 2020, the carrier said, adding passengers can travel during upcoming Lunar New Year (Tet) holiday and receive attractive gifts.

Additionally, passengers can also hunt for Tet 2020 tickets, priced only from VND199,000 (\$8.5) for flights from HCM City to central localities including Da Nang, Hue, Quy Nhon and Tuy Hoa and those from VND900,000 (\$38) for flights from HCM City to northern provinces and cities

including Ha Noi, Thanh Hoa, Nghe An and Hai Phong, with flights from January 9, 2020 to February 10, 2020.

In the first half of 2019, Vietjet operated more than 68,820 flights, equivalent to 45 per cent of total flights run by all Vietnamese carriers and transported 13.5 million passengers. These figures helped the airline maintain the leading position in domestic transportation with a 44 per cent market share.

During the period, it opened nine international routes to Japan, Hong Kong, Indonesia, mainland China and three domestic routes, lifting the total number to 120 routes, including 78 international and 42 domestic routes.

3. Vietnam Airlines cooperates with Delta Air Lines

The two carriers will conduct checks on operating systems in September. If Vietnam Airlines' systems meet international standards, Delta Air Lines will sell air tickets for flights operated by Vietnam Airlines from Hanoi City to Tokyo in October to serve passengers in need of connecting flights to the United States.

This is the first step for the local carrier to research the U.S. market and introduce passengers to Vietnam Airlines when travelling to the United States.

Earlier in 2010, Vietnam Airlines signed a cooperation agreement with Delta Air Lines to operate one-way code-share flights on 10 air routes to and from the United States and 10 domestic routes within the United States. This deal has helped Vietnam Airlines' passengers reach eight U.S. states through connecting flights with Delta Air Lines in Japan's Tokyo and Germany's Frankfurt.

In particular, passengers can buy air tickets through Vietnam Airlines' channels for flights operated by Delta Air Lines between Tokyo and Detroit, Portland, Honolulu, Atlanta, Seattle, Los Angeles and Minneapolis and from Frankfurt to Detroit, Atlanta and New York.

Due to the airlines' cooperation on round-trip flights, passengers need only book tickets and conduct flight procedures once with either carrier for their entire trip.

Last year, Vietnam Airlines and Delta Air Lines served some 18,000 passengers as part of their cooperation drive. These passengers mainly flew from the United States to Vietnam. This is a step change in Vietnam Airlines' air transport operations to offer new flights connecting the two countries.

4. Construction Ministry agrees to put Phu Quoc SEZ plan on hold

According to the ministry, the development of Phu Quoc into an SEZ is not appropriate at present and is not in line with the prevailing regulations on planning.

Kien Giang had conducted procedures to put the plan into action after it was approved by the prime minister in August last year.

However, the National Assembly has yet to set a specific date to pass a draft law on special administrative and economic zones, setting up multiple obstacles for the province's adoption of the plan due to the lack of a legal foundation, procedural order, zoning content and appraising board.

Therefore, the province proposed the suspension of the plan until the NA passes the law on special administrative and economic zones.

A master plan to develop Phu Quoc Island until 2010, with a vision toward 2020, approved by the prime minister in 2004, is no longer appropriate to the current situation.

The provincial government cited the Law on Zoning, noting that district-level zoning would have to be integrated with that of the province, but many socioeconomic targets of Phu Quoc have outpaced the approved figures.

However, waiting for the province's zoning plan to be worked out and approved will create difficulties for Phu Quoc in mapping out further development goals, calling for investors and executing investment projects.

Instead, the provincial government is seeking approval from the Government to set up an economic zone on the island, with a zoning fund sourced from the local budget and other legal sources.

5. Vietnam seeks to boost tourism with neighboring countries

The southern tourism corridor plays a key role in the Greater Mekong Subregion (GMS) and is one of eleven major tourist routes in the GMS, Ha Van Sieu, deputy head of VNAT, said while presiding over the conference.

Since 2015, the four countries having 13 provinces located in the southern tourism corridor have joined forces to develop and promote tourism products, as well as propose relevant agencies to facilitate transforming the transport corridor into the tourism corridor, he said.

Addressing the event, Duong Tan Hien, vice chairman of Can Tho City, said that the city is one of the four Vietnamese localities, including Ba Ria-Vung Tau, Kien Giang, HCMC, in the southern key economic region that has taken part in the southern tourism corridor.

Besides this, Can Tho is home to many attractive destinations in the Mekong Delta such as Ninh Kieu Wharf, Cai Rang floating market, and many other historic-cultural sites. Moreover, the city's

tourism infrastructure facilities have been increasingly improved with a wide selection of four-to-five-star hotels and resorts meeting demand of tourists at home and abroad, the vice chairman added.

The representatives of the four countries at the conference also reviewed their cooperation activities, were briefed on new measures to boost the regional tourism growth, and discussed further collaboration plans for the years to come.

In particular, VNAT and the Can Tho Travel Association highlighted the upcoming event, Vietnam International Travel Mart (VITM) Can Tho 2019, due to kick off in the city from November 29 to December 1. Vietnam has invited the three neighboring countries to attend the event to bolster travel cooperation among the four GMS nations.

Nattakorn Asunee Na Ayudhuya, from Mekong Tourism Coordination Office (MTCO) located in Thailand, called on the four countries to promote tourism products on the online platform of MTCO

that has gained over 22 million users globally, saying that this will be an effective way to encourage tourism growth.

Data from MTCO show that the four countries of the southern tourism corridor last year generated

over US\$96 billion in tourism revenues, with the number of international visitors exceeding 60 million arrivals, up 10% against the figure seen in 2017.

6. Tax exemptions proposed for assemblers of green autos

These policies, included in draft amendments to the Government's Decree 125/2017/ND-CP, are offered for enterprises producing electric automobiles, cars running on bio-fuels and natural gas and hybrid automobiles, Thanh Nien Online newspaper reported.

According to Decree 125, importers of automobile parts will be entitled to tax exemptions if they meet requirements on the minimum volume.

At present, no local firms have manufactured these kinds of automobiles. Only VinFast has plans to annually assemble 500 electric buses from 2020. However, it cannot meet requirements on volume in the initial stage.

Therefore, the amended decree will not require local manufacturers and assemblers of automobiles running on clean fuels to meet these requirements in the initial stage.

According to the Ministry of Finance, Vietnam has committed to gradually exempting the import tariffs on completely-built-up (CBU) cars for seven to nine years, under the Comprehensive and

Progressive Agreement for Trans-Pacific Partnership. The country has also signed the European Union-Vietnam Free Trade Agreement, pledging to gradually cut tariffs on CBU automobiles imported from the European Union over the next nine to 10 years.

CBU automobile imports from other ASEAN markets are now entitled to import tax exemptions in Vietnam. Thus, the local market may be opened to large automobile firms from the ASEAN, Japan, Mexico and the European Union.

Last year, the volume of imported CBU automobiles declined due to the strict requirements in Government Decree 116 on automobile manufacture, assembly, imports, maintenance and warranty services. However, many local automobile firms have met these requirements, so the volume of imported CBU vehicles surged in the first half of this year.

The situation may put local carmakers at risk. Therefore, the Ministry of Finance has proposed incentives to encourage them to produce and assemble green automobile.

Corporate News

7. BMI: BMI asks for the extension of submission of financial statements

↓ -0.19%

Bao Minh Insurance Corporation sent documents to HOSE to ask for the extension of submission for financial statements.

- Reviewed semi-annual financial statements: within 60 days from the last day of first six months of fiscal year.

However, the request of BMI will be reviewed by the State Securities Commission.

8. CII: Report on Change in Ownership by Major Shareholders

↓ -0.24%

Report on Change in Ownership by Major Shareholders of Ho Chi Minh City Infrastructure Investment Joint Stock Company as follows:

File Attachment

[20190815 CII-190815-Report-on-Change-in-Ownership-by-Major-Shareholders.pdf](#)

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