



VIETNAM DAILY NEWS

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Market Analysis

1. VN stocks down, worries remain over the market uptrend

The benchmark VN-Index on the Ho Chi Minh Stock Exchange (HoSE) closed almost flat at 977.26 points.

It had lost total 1.58 per cent in the previous two days to end Tuesday at 976.79 points.

The index opened Wednesday positively but selling pressure narrowed its gain towards the end of the day.

On the Ha Noi Stock Exchange, the HNX-Index went on a similar path and it finished down 0.52 per cent at 102.32 points.

The northern market index had declined by total 0.38 per cent from last week's end level of 103.25 points.

About 168.2 million shares were traded on the two local exchanges, worth VND3.75 trillion (US\$161.4 million).

The indices struggled on Wednesday as investors were still cautious after the market had fallen in the previous two trading days, Thanh Cong Securities Co (TCSC) said in its daily report.

Investors were clearly unwilling to buy and sell as they still worried about the volatility of the international financial markets and global economy, the company said.

Among key international issues are the US-China trade war, which shows no signs of ending, and the emerged dispute between Japan and South Korea.

Those worries, plus selling pressure that hit groups of stocks having made strong gains recently, were the main reasons that kept the market sideways, TCSC said.

Data on both local exchanges showed large-cap and mid-cap stocks were all brought down. The large-cap VN30-Index was down 0.09 per cent to end at 886.08 points.

Half of the 30 largest stocks by market capitalisation and trading liquidity in the VN30 basket declined while 13 increased.

Eight of the 10 largest stocks on HoSE advanced. However, the market's dependence on those blue chips, the depletion of the trading liquidity and scattered capital flow signalled the market's short-term outlook continued to be negative, Sai Gon-Ha Noi Securities (SHS) said.

On current conditions, the Vietnamese stock market may keep declining to lower levels to trigger purchases for low-priced shares, SHS said.

Foreign investors net-bought VND25 billion worth of Vietnamese shares on Wednesday. However, SHS said it would not count too much on foreign trading because they (foreign investors) are being weighed down by the international developments.

The medium-term support of 976 points would cushion the market sentiment in the next trading days, SHS said.

Macro & Policies

2. Vietnam's GDP grows an additional 25.4% per year after revision

Vietnam's economy in the 2010 – 2017 period enlarged an additional 25.4% annually compared to the previous data, according to the General Statistics Office (GSO).

GSO Head Nguyen Bich Lam previously said revising GDP calculation is a common practice globally. Countries such as the US, Canada, Germany, Russia, Italy, Indonesia, among others, have made similar moves since 2010.

China revised its GDP growth in 2004, 2008, 2013 and 2015, with the two latest revisions having added US\$305 and US\$141 billion to the existing statistics.

In the 2013 – 2014 period, after being revised, Russia's GDP expanded an extra 24.3%, the economies of Rumania and Croatia enlarged 28.4%, Germany's 3%, Italy's 7% after their respective GDP calculation was reviewed.

In July 2013, the US revised its GDP growth of the previous year and added US\$506 billion to its economy.

Lam added this was not the first time the GSO revises the GDP calculation. His agency in 2013

revised the GDP in the 2008 – 2012 period. Six years ago, the revision only focused on certain sectors such as banking, finance, insurance and real estate, Lam stated, noting this time the GSO would include all economic groups in the economy, except the illegal and shadow economies, due to the lack of data.

According to the GSO, the revision would help better reflect the size and potential of the economy, while enhancing the country's economic status in the region and on global scale.

More importantly, a more accurate GDP growth rate is essential for Vietnam to draft its development strategy in the next decade, including specific targets for the 2021 – 2025 period.

The GSP pointed to five factors leading to a change in Vietnam's GDP growth rate, including additional information from the latest general survey, additional information from administrative documents, updating new methodology regarding the national account system in 2008, updating national accounts leading to an increase in GDP growth, and updating economic industries.

3. Hertz enters vehicle rental market in Vietnam

The 100+-year-old brand, through its local partner, will offer Hertz, Dollar and Thrifty services, which is available in HCMC now and in Hanoi later this year.

Customers seeking short- and long-term car rentals will have a variety of choices from a wide range of luxury SUVs and sedans to car rental services, such as the Hertz Chauffeur Drive service, a door-to-door professional driver service that is convenient for airport and city transfers, providing a half-day or full-day service.

Eoin MacNeill, vice president of the Asia Pacific region, noted that this is the right time for Hertz to

enter the local market due to the ongoing growth of the business and leisure markets in Vietnam.

Hertz is committed to meeting the increasing demand for car rentals, for both business travellers and tourists, across Vietnam and expects this partnership to strengthen its quality offerings in the market, according to MacNeill.

"We're thrilled to welcome New City Rent A Car to the Hertz family. The company brings invaluable knowledge of the Vietnamese culture and is well placed to meet the needs of local customers and those visiting from other countries," MacNeill said.

Nim Vuon Phu, New City Rent A Car's chairman, stated that as Hertz's new franchise partner, New City Rent A Car will be able to offer travellers more car rental solutions.

To celebrate the launch, a discount of 15% for chauffeur services is available to customers who book online before September 30.

New City Rent A Car is a subsidiary of a large conglomerate in Vietnam that has business

interests in the automotive, infrastructure, property and hospitality sectors.

Meanwhile, Hertz Corporation, a subsidiary of Hertz Global Holdings, Inc., operates the Hertz, Dollar and Thrifty vehicle rental brands at approximately 10,200 company-owned, licensee and franchisee locations throughout North America, Europe, the Caribbean, Latin America, Africa, the Middle East, Asia, Australia and New Zealand.

4. VN, Russia to boost trade cooperation

According to AVR's representative Nguyen Viet Linh, since Viet Nam-Eurasian Economic Union Free Trade Agreement (VN-EAEU FTA) was signed in 2015 and came into force in 2016, bilateral trade exchanges between Viet Nam and Russia recorded positive growth.

In 2018, trade turnover between the two countries increased by 28.63 per cent compared to 2017. Export from Russia to Viet Nam in 2018 reached US\$ 2.1 billion, up 53.38 per cent year-on-year.

In the field of investment, in 2018, Russia ranked 24th out of 129 countries and territories investing in Viet Nam, with 123 projects and a total registered capital of \$932 million. On the contrary, Viet Nam has also had 22 investment projects in Russia with a total of new capital and increased capital of nearly \$3 billion.

AVR Chairman Dinh Thi My Loan emphasised this is an opportunity for enterprises to exchange and seek business opportunities and effective investment cooperation. Therefore, the active participation of Russian businesses shows great interest in the Vietnamese market - a potential and highly developing economy in the region.

The event also gives businesses the opportunity to promote bilateral trade, contributing to the overall development of the two economies Viet Nam – Russia, Loan added.

The programme attracted 13 Russian businesses featuring the typical Russian products such as

sausages, bacon, salami, mashed potatoes, Russian kvass, dried fruits, nuts, muesli, coffee, confectionery, ice cream, beer and soft drinks, and natural cosmetics.

Taking part were about 100 delegates, including representatives of State management agencies, Russian production and supply enterprises, and retail distribution and import-export enterprises in Viet Nam, Russian Trade Representative Offices in Viet Nam and Russian Export Centre.

Ilya Bolarsky, representative of the beverage production company Chernogolovka, said through this programme, the company has displayed and introduced fresh water, mineral water and organic water produced in modern processes. The company has also asked to cooperate with Hanoi Trade Corporation (Hapro) to export these products to Vietnamese market.

After the programme, the delegation also visited and worked with a number of large supermarkets in Ha Noi to enhance trade connectivity between the two countries.

The event was organised on the occasion of the 25th anniversary of the signing of the Treaty on fundamental principles of Viet Nam – Russia friendship in 2019 and towards the 70th anniversary of the establishment of Viet Nam-Russia diplomatic relations in 2020.

It was held by AVR in cooperation with Development Agency BRICS in Russia.

5. Vietnam seeks greater trade cooperation with China's Guangdong

Vietnam and China's Guangdong province should expand cooperation in trade, investment and economic activities, according to Deputy Prime Minister Trinh Dinh Dung.

Vietnam welcomes investments from major enterprises in Guangdong, while expecting the Chinese province to import more Vietnamese products, particularly farm produce such as rice, fruit and milk, among others, Dung said at a meeting with Vice Governor of Guangdong Ouyang Weimin on August 27.

Dung highly regarded Guangdong's socio-economic achievements and hoped to enhance practical cooperation and friendship between Vietnamese ministries, sectors, and localities with the Chinese province.

Dung suggested Guangdong and Vietnamese localities increase exchanges of delegations and focus on result-oriented cooperation.

Ouyang Weimin said Guangdong gives priority to a comprehensive partnership with Vietnamese localities, citing the geographical proximity and large scale markets with high complementarity are decisive factors for greater cooperation between Vietnamese localities and Guangdong.

Ouyang Weimin expressed his commitment to closely working with Vietnamese agencies and provinces in boosting cooperation in trade and investment, creating favorable conditions for Vietnamese goods and products to penetrate its market.

With a population of nearly 114 million, Guangdong is the Chinese province having the largest trade turnover with Vietnam.

In 2018, the bilateral trade turnover reached US\$37.16 billion, up 34.2% year-on-year, accounting for 25.1% of Vietnam – China trade turnover.

6. EVFTA to boost intellectual property in Vietnam

The implementation will help Vietnamese enterprises protect the results of investment to creative activities from innovation of new technologies, designs and packaging to brands of products and services, Minister of Industry and Trade Tran Tuan Anh said at a conference on important commitments on intellectual property held in Hanoi on August 27.

In addition, EVFTA also provides many opportunities to access EU markets, the minister said, adding to enter this large market, local businesses need to meet the regulations on protection, exploitation and realisation of intellectual property rights and know clearly about technical barriers in trade of this market.

Businesses must focus on raising awareness about intellectual property as well as improve technology and the ability to absorb advanced technology to improve quality, he said.

The EVFTA is a comprehensive and high quality agreement covering many issues, including intellectual property. This is a new issue appearing in a few FTAs that Vietnam has joined according to the Ministry of Industry and Trade.

In the current trend of deep integration, a strong intellectual property system is the basis for a country to control activities of business and brand protection.

This helps attract investment from multinational companies and increase access to advanced technologies. It will also create an environment and legal corridor for individuals and organisations to develop innovative ideas and bring to market products with high quality and applicability.

However, the commitments on intellectual property under the EVFTA will create significant challenges for domestic law revision.

In addition, general awareness about infringement of intellectual property rights is still low while Vietnam integrates further into the world, so it is necessary to increase the awareness of the public and enterprises about EVFTA's commitments in this issue.

Tran Huu Linh, Director General of the General Department for Market Surveillance, said to improve efficiency in protecting intellectual property rights, Vietnam needed to develop a national strategy. It should also improve professional qualification of intellectual property and performance of public duties at the State functional authorities.

In addition, it should increase efficiency of disseminating legal knowledge as well as learn experience and get support from international organisations in the enforcement of intellectual property rights.

At the conference, Nguyen Thi Thu Trang, Director of the WTO Integration Centre under the Vietnam Chamber of Commerce and Industry (VCCI), said Technological Protection Measures (TPMs) not only applied for production, import, distribution, assembly, sale and rental, but also for storage with commercial and advertisement purposes.

Meanwhile, rights management information (RMI) not only protects original information, but also the information in copies and the public release.

EVFTA's commitments are higher than WTO in terms of increasing the rights of the court in deciding temporary measures for not only violating entities, but also those who are storing violated goods.

Trang said these commitments not only helped them increase economic benefits, increase creative motivation but also contribute to cost savings and be confident to register intellectual property rights protection.

CORPORATE NEWS

7. Stock market briefs August 28, 2019

↑ 0.27%

HCMC Infrastructure Investment Company (CII) wants to offload 35.3 million treasury shares for at least VND32,650 per share. The company expects to receive at least VND1.15 trillion from the sale. Earlier, CII has raised VND1 trillion by issuing bonds, including VND800 billion worth of fixed-interest bonds of 9.5%. In the first half of 2019, CII earned VND1 trillion in revenue, down 35% year-on-year.

HCMC – Bank for Investment and Development of Vietnam (BID) will offer 300,000 inconvertible bonds to the public, including 250,000 bonds with a term of seven years and 50,000 others having a 10-year term. The papers carry a face value of VND100,000 each.

HCMC – Duc Thanh Wood Processing Company (GDT) has announced to sell over 127,700 shares to employees at the price of VND10,000, lower than its current market price of VND38,000. The

sale aims to help the firm supplement its working capital.

HCMC – Nguyen Thu Giang, a board member of Dong A Hotel Group (DAH), has registered to buy two million shares of DAH, or a 5.85% stake in group's total capital. Transactions will take place from September 3 to October 2. Currently, Giang has no shares at the company.

HANOI – Vinaconex Tourism Investment & Development Company (VCR) has passed a plan to sell over 597,000 treasury shares to supplement its working capital. The selling price will be the market price at the time of transaction. From July 11 to August 8, VCR registered to sell its entire 760,000 treasury shares, but only 162,000 shares were offloaded.

HANOI – Construction Company No. 5 (SC5) has chosen September 9 as the ex-dividend date for shareholders to receive a 2018 cash dividend at 20%. Payments will be made from October 10.

8. BWE: Notice of Trading of Shares of affiliated organization

↓ -1.30%

Notice of Trading of Shares of affiliated organization of Binh Duong Water Environment Joint Stock Company as follows:

File Attachment

[20190828 BWE-190828-Notice-of-Trading-of-Shares-of-affiliated-organization.pdf](#)

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