



VIETNAM DAILY NEWS

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Table of content

Table of content

1. VN stocks step down on lack of support
2. E-commerce to help businesses boost exports: workshop
3. Two Vietnamese businesswomen named in Forbes' 2019 Asia's Power Businesswomen list
4. Domestic engineering industry meets 32% of demand
5. Hanoi greets over 4.7 million foreign visitors in nine months
6. ADB lowers VN's inflation from 3.5% to 3% this year
7. CTD: Report on purchasing the treasury shares
8. CMG: Change of personnel

Market Analysis

1. VN stocks step down on lack of support

The benchmark VN-Index on the Ho Chi Minh Stock Exchange inched down 0.08 per cent to close at 987.0 points.

The VN-Index rose 0.24 per cent on Tuesday.

More than 171.5 million shares were traded on the southern market, worth VND3.63 trillion (US\$256 million).

The trading figures increased in volume but fell in value compared to the previous day.

Investors were unwilling to participate in the market trading ahead of the July-September earnings season, Thanh Cong Securities Co (TCSC) said in its daily report.

Their caution may continue keeping stocks differentiated in the short term until earnings reports for the third quarter of the year are fully released, the company added.

The three market indices that classify southern-listed stocks by market value and trading liquidity were up between 0.13 per cent and 0.42 per cent, data on vietstock.vn showed.

The large-cap VN30-Index gained 0.18 per cent, driven by retailer Mobile World (MWG), tech group FPT Corp (FPT), Bank for Investment and Development of Vietnam (BID), and building contractor Coteccons (CTD).

Shares of FPT Corp, retailer Mobile World and builder Coteccons boosted their industry indices 1.9 per cent, 2.6 per cent and 1.2 per cent, respectively.

Those companies are listed among those expected to deliver growth rates in Q3 earnings in the next few weeks.

Meanwhile, shares of the Bank for Investment and Development of Vietnam (BIDV) advanced 1.1 per cent after the bank chairman Phan Duc Tu told local media that BIDV in October will receive income from selling shares to the South Korean lender KEB Hana Bank.

In late July, the bank's board of directors approved the plan to privately transfer 603.3 million shares to KEB Hana Bank for nearly VND20.3 trillion.

After the deal, BIDV will raise its charter capital to VND40.2 trillion from VND34.2 trillion and the Government will slash its stake in the bank by 14.2 per cent to 80.8 per cent.

Other sectors that weighed on the market were insurance, agriculture, seafood processing and real estate.

Investors chose to stand out and gave very little support to the market, Sai Gon-Ha Noi Securities (SHS) said in a note.

If there is no big news, the VN-Index will continue struggling between 983 points and 990 points in the next few days, the company forecast.

On the Ha Noi Stock Exchange, the HNX-Index went down 0.19 per cent to end at 103.81 points.

The northern market index fell 0.36 per cent on Tuesday.

More than 33 million shares were traded on the Ha Noi market, worth VND396.6 billion.

Macro & Policies

2. E-commerce to help businesses boost exports: workshop

Vietnamese businesses should make use of e-commerce to promote exports, heard a workshop held in Ho Chi Minh City on September 25.

Bui Thi Thanh An, deputy head of the Trade Promotion Agency of the Ministry of Industry and Trade, said the boom of the internet and electronic equipment has created huge opportunities for businesses to reach customers worldwide.

E-commerce has helped firms overcome geographical barriers to seek customers and reduce costs, the official said.

The agency is carrying out practical activities to support businesses to develop products, build brands and expand markets, including

programmes to connect foreign business partners with domestic manufacturers and exporters, she added.

The workshop drew representatives of nearly 40 businesses from Singapore operating in the fields of food, packaging, retail, cosmetics, and household appliances as well as hundreds of Vietnamese firms.

It created an opportunity for businesses to seek partners and share effective online sale methods.

By 2022, e-commerce is forecast grow faster by six times than traditional one. Particularly, cross-border e-commerce is projected to increase to 3.3 trillion USD in the next two years./.

3. Two Vietnamese businesswomen named in Forbes' 2019 Asia's Power Businesswomen list

The article says: Nguyen Thi Phuong Thao, founder and CEO of Vietjet Aviation, who made history as the only woman in the traditionally male-dominated aviation business to start and run her own major commercial airline.

Shares of Vietjet, which was founded in 2007, have more than doubled since its 2017 IPO, giving it a market value of US\$3 billion. Thao is also Viet Nam's first self-made woman billionaire, and Southeast Asia's wealthiest self-made woman, with a net worth of US\$2.5 billion.

NutiFood CEO Tran Thi Le, who, with her husband, has turned the company into Viet Nam's leading nutrition products producer, with sales of VND9.5 trillion (US\$408 million) last year.

The list recognizes women who are breaking down barriers and playing a significant role in shaping Asia's business landscape. This includes entrepreneurs who have started their own business, those transforming their family enterprises and high level executives. With 25 new names, the list seeks to expand the community of women business leaders by building upon the legacy created since the inaugural Asia's Power Businesswomen list in 2012.

“By profiling these 25 outstanding women, Forbes Asia aims to highlight their achievement in the business world and present them as both powerful and empowering so that their success may inspire all our readers,” says Rana Wehbe, editor of the 2019 Asia's Power Businesswomen list.

4. Domestic engineering industry meets 32% of demand

At the conference on solutions to enhance the local mechanical engineering industry, Nguyen Chi Sang, general secretary of the Vietnam Association

of Mechanical Industry, said that the industry might bring in tens of billions of U.S. dollars in profit over the next decade or two, particularly

with investment in factories and major national projects.

Before 2003, hydromechanical products were imported from Russia, Ukraine and China, with prices averaging US\$2,000 per ton, Sang said. “Once we can design and manufacture, production costs may drop to less than US\$1,500 per ton,” he added.

According to the calculations of agricultural experts, though the market size for agricultural equipment and machines is some US\$500 million per year, the added value for farm produce and food products that utilize mechanization can reach US\$5 billion per year.

The mechanical engineering industry now has some 21,000 firms, excluding foreign-invested ones. The number of mechanical firms with 500 workers or more is very small, at only 100 units, and most of these firms are small businesses.

Many attendees at the conference proposed the Government map out a specific strategy to secure markets for the domestic industry with its limited financial resources and technology and outdated management experience. In addition, attention should be given to infrastructure construction.

5. Hanoi greets over 4.7 million foreign visitors in nine months

Hanoi welcomed more than 4.7 million foreign tourists in the first nine months of 2019, a year-on-year increase of 10.1 percent, announced the municipal Department of Tourism on September 24.

The capital city hosted a total 21.5 million visitors in the period, up 9.5 percent against the same period last year and 74.46 percent of this year's plan. There were more than 16.8 million domestic holidaymakers, up 9.3 percent year-on-year.

Tourism revenue of the city reached 74.7 trillion VND (3.2 billion USD) in the nine months, up 30.9 percent and nearing 72 percent of the yearly plan.

On hearing these comments, Prime Minister Nguyen Xuan Phuc pointed out that a resolution on solutions to the domestic mechanical engineering industry's development will be introduced.

Vietnam's mechanical industry mainly focuses on motorbikes and their parts, household equipment and automobiles and their parts. These subfields account for almost 70% of the total mechanical production value in the country.

Domestic firms are able to produce hydromechanical equipment for hydropower plants, steel rolling equipment and equipment for cement factories.

Besides this, there are nearly 40 automobile manufacturers and assemblers, with a combined capacity of over 680,000 automobiles per year. The localization rate of motorbikes is 85%-95%.

Regarding mechanical equipment for the oil industry, a self-elevating drilling rig, which may replace imported equipment, has been successfully manufactured in the country.

Meanwhile, Hanoi's hotels recorded an estimated occupancy rate of 70.5 percent, up 6.2 percent, serving visitors mostly from the Republic of Korea, China and Japan.

Hanoi has been selected to compete for the title of World's Leading City Destination at the 2019 World Travel Awards (WTA).

The deadline for voting is October 20 at the WTA's website <http://www.worldtravelawards.com/vote>.

This year, Hanoi was again listed in various tourism rankings. Japan's All Nippon Airways included the city among the 26 best Asian cities for a combination of business and leisure. The capital city was ranked fourth among the 25 destinations in Asia and 15th among the 25 destinations in the world in 2019 by TripAdvisor.

Most recently, it was named in the Cable News Network (CNN)'s list of the 17 best places in Asia.

The city is striving for 29 million tourists and 103 trillion VND in tourism revenue in 2019.

In the list of the top 100 city destinations 2018 released by Euromonitor International, Hanoi ranked fourth among capital cities in Southeast Asia in terms of foreign tourist numbers, following Bangkok (23.69 million), Singapore (18.55 million) and Kuala Lumpur (13.43 million).

To bolster tourism, Hanoi considers improving the quality of destinations and developing infrastructure and tourism products as important tasks.

The capital plans to attract investment to build shopping centres and accelerate major projects like the Kim Quy culture, tourism and entertainment park in Dong Anh district, the horse racing and entertainment complex in Soc Son district, and the Hanoi Museum. It will boost preservation projects at the Imperial Citadel of Thang Long, Bat Trang pottery village and Van Phuc silk village.

Efforts are also being made to develop 20 – 30 high-quality tourist sites across the city. Additionally, the values of local cultural heritages and traditional villages will be brought into play to turn them into attractive places of interest.

Hanoi is planning to augment preparations for upcoming big sports events such as Formula One racing and the 31st Southeast Asian Games to attract visitors.

Additionally, it will also make use of local culinary culture and promote MICE tourism as well as tourism products based on the strengths of its localities.

The Vietnamese capital is working to develop high-end accommodation facilities.

Director of the Tourism Department Tran Duc Hai said the municipal People's Committee has approved in principle 75 high-end accommodation projects with nearly 20,000 rooms. As of June this year, there were 3,499 accommodation establishments with 60,812 rooms in the city, including 67 hotels rated three to five stars with 10,004 rooms and seven condotel complexes rated four to five stars with 1,349 rooms.

Cooperation in tourism development is also a key task of the sector, he said, noting that his department is carrying out the promotion cooperation programme for 2019-2024 with TV channel CNN International.

It will also take part in meetings of the Council for Promotion of Tourism in Asia and cooperation activities of the Tourism Promotion Organisation for Asian-Pacific Cities.

Coordination with airlines, domestic and foreign media, embassies, international organisations and travel companies will be strengthened to hold trips for businesses and reporters from key markets, according to the Tourism Department./.

6. ADB lowers VN's inflation from 3.5% to 3% this year

Despite low inflation rate, the ADB suggests the Vietnamese Government continue monitoring the monetary policy carefully this year and maintaining the credit growth at 14%.

Viet Nam's economy maintains healthy grows at 6.8% in 2019 and 6.7% by 2020.

“Despite a slowdown in export growth due to the escalation of the trade conflict between the U.S.

and China and the consequent downturn in global trade, the economy remains healthy thanks to continued strength in domestic demand and sustained inflows of foreign direct investment,” said ADB Country Director for Viet Nam Eric Sidgwick.

“Prospects for domestic consumption continues to be positive, supported by rising incomes, buoyant employment, and moderate inflation”, Mr. Eric Sidgwick noted.

The recent signing of a free trade agreement with the European Union promises to further open market access for trade and investment, as does the regional Comprehensive and Progressive Agreement for Trans-Pacific Partnership.

Thus, Foreign Direct Investment (FDI) will continue to thrive in the time to come, with the proof of the committed FDI capital flows of US\$13.1 billion over the recent eight months of 2019.

These agreements will open more opportunities to get access to bigger trade and investment activities while recent amendments to the Law on public investment will help improve public investment activities by speeding up procedures,

simplifying procedures and facilitating faster disbursement of public investment capital.

Prospects for industry and service sectors are positive but agriculture will be slow down. The service sector will continue high growth with the expansion of retails sales to meet domestic demands.

It is estimated that the nation will achieve the target of welcoming 15 million foreign arrivals at the end of the year.

The ADO 2019 provides economic analysis and growth projections for 45 economies in Asia and the Pacific.

Corporate News

7. CTD: Report on purchasing the treasury shares

↑ 2.38%

Coteccons Construction Joint Stock Company reports the result of the purchase of treasury shares as follows:

- Stock symbol: CTD
- Number of treasury shares before trading: 2,876,127 shares
- Number of registered shares to buy: 86,300 shares
- Bought volume: 86,300 shares
- Trading period: from August 22, 2019 to September 18, 2019

- Current treasury shares volume: 2,962,427 shares
- Average trading price:
 - + For stock issuance under ESOP 2016: VND70,000/share;
 - + For stock issuance under ESOP 2017: VND40,000/share;
 - + For stock issuance under ESOP 2018: VND56,000/share.
- Trading method: no through trading floor.

8. CMG: Change of personnel

↑ 0.96%

CMC Corporation announced personnel change as follows:

- Approving the resignation of Mr. Ta Hoang
Linh as a member of the BOD.

- Approving the resignation of Mr. Nguyen Kim
Cuong as a member of the BOD.

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