



VIETNAM DAILY NEWS

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Market Analysis

1. VN-Index steps down from 4-day rally

The benchmark VN-Index on the Ho Chi Minh Stock Exchange inched down 0.09 per cent to close Thursday at 1,024.03 points.

The VN-Index gained total 2.61 per cent in the previous four trading days.

The growth of the benchmark index has slowed after the VN-Index passed the 1,000 point level.

The VN-Index narrowed its growth from 1.68 per cent last Friday to 0.06 per cent on Wednesday.

Weighing on the benchmark were insurer Bao Viet Holdings (BVH), property firm Vingroup (VIC), dairy producer Vinamilk (VNM), and Sacombank (STB), VPBank (VPB) and Vietinbank (CTG).

While large-cap stocks lost momentum, mid-cap and small-cap stocks were also hit by profit-taking pressure.

The VNMIID and VNSML indices dropped 0.12 per cent and 0.02 per cent, respectively.

On the positive side, good performances among the likes of Vietcombank (VCB), Vincom Retail (VRE), Bank for Investment and Development of Vietnam (BID), consumer firm Masan (MSN) and steel producer Hoa Phat (HPG) helped stop the market from falling further.

Among those, Hoa Phat shares jumped 3.2 per cent after the company announced its 10-month output had reached 2.18 million tonnes, up 12.5 per cent year-on-year.

More than 193 million shares were traded on the southern bourse, worth VND4.23 trillion (US\$182.3 million).

The figures were down from the 255 million shares worth VND4.7 trillion recorded on Wednesday.

The market struggled as large-cap stocks were unable to cope with increased selling pressure, especially taking profits from the VN-Index's four-day rally, Thanh Cong Securities Co (TCSC) said in its daily report.

But a slight decrease with modest changes in trading liquidity was needed for the VN-Index to settle at the current range, the company said.

The settlement would provide a foundation for the benchmark's future growth, it added.

In the short term, large-cap stocks such as banks and property firms would continue driving the VN-Index toward 1,045 points, the company forecast.

But in the next few days, the benchmark index would move to around 1,025 points as market sentiment would be dependent on the developments of US-China trade relations, TCSC said.

On the Ha Noi Stock Exchange, the HNX-Index gained 0.13 per cent to end at 106.88 points.

The northern market index rallied 1.6 per cent in the last five trading days since November 1.

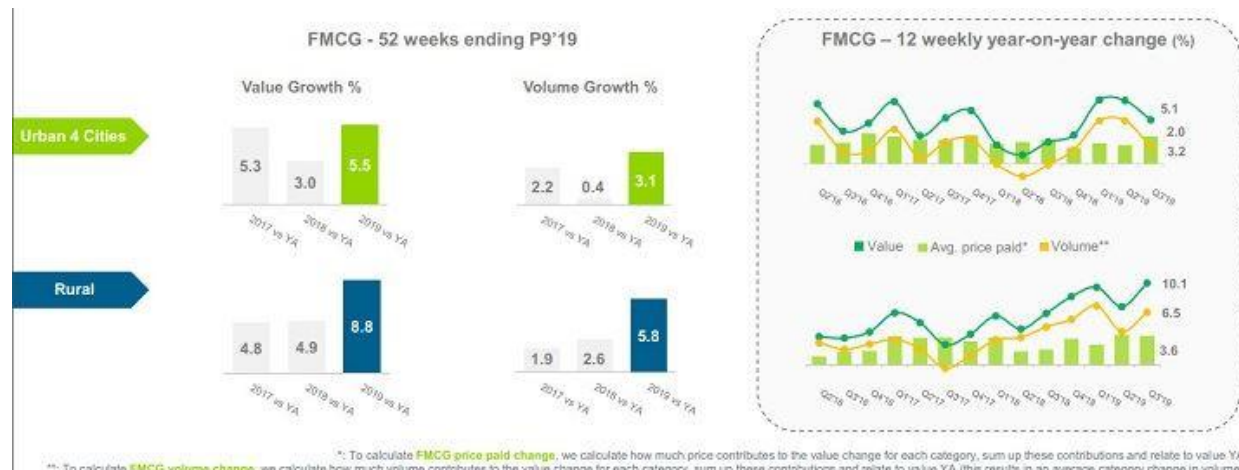
More than 22 million shares were traded in Ha Noi, worth VND287.8 billion.

Macro & Policies

2. Q3 FMCG growth in Vietnam's rural market hits 4-year high

Fast-moving consumer goods (FMCG) in Vietnam's rural market sped up in the third quarter this year, hitting a new record of 10% growth, marking the highest growth rate over the past four years, Kantar Worldpanel has said in a quarterly report.

In the long term, FMCG market growth in both 4 urban cities (Hanoi, Ho Chi Minh City, Danang and Can Tho) and rural areas shows an impressive movement, nearly twice the pace of last year, thanks to the increased volume.



In the third quarter of 2019, Vietnam's economy continues to uphold positive readings, with robust GDP growth. Inflation remains curbed at a low level, recording the lowest 9-month average increase in the past 3 years. Retail sales of consumer goods maintain double-digit growth.

Beside the solid performance of Personal Care in both 4 urban cities and rural areas, Dairy has been also catching up in the third quarter, especially in rural areas. Beverages post a double-digit growth in the rural market, but still struggles to grow in 4 urban cities.



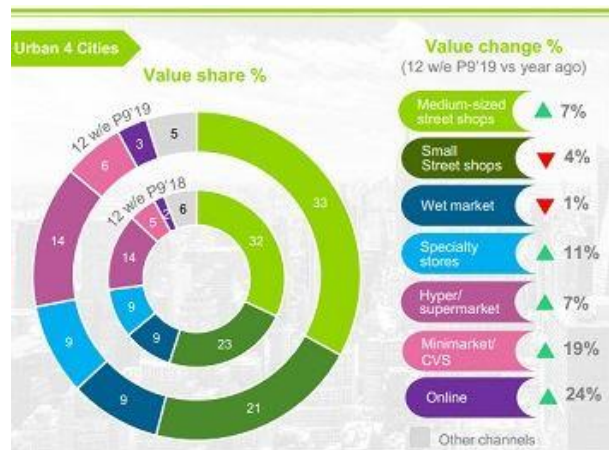
Together with the positive performance of Dairy, Drinking Yogurt has recovered in 4 urban cities and is accelerating growth in rural areas, mainly

by winning back consumers. This category still has room to tap into in order to both expand consumer base and increase volume consumption.

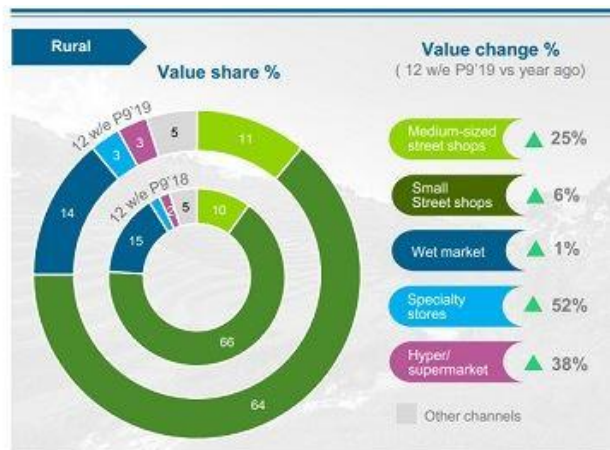


Online, minimarkets & convenience stores continue leading the FMCG growth and growing in

importance in 4 urban key cities. In rural areas, healthy growth is observed across all channels.



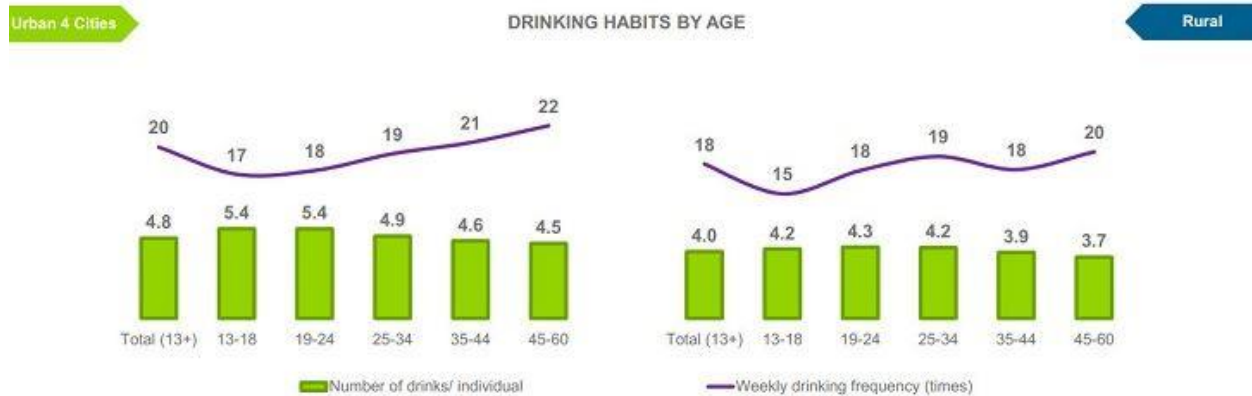
A survey conducted by Kantar on drinking habit shows that about two third of drinking occasions in a week is for bottle water, tea and coffee.



Besides, unbranded juices (fruit/vegetable) is ranked fourth among non-alcoholic beverages that consumers drink every week.



In addition, the fewer occasions younger consumers drink, the more choices of non-alcoholic beverages they have.



3. Vietnam, Belgium boost economic collaboration

Vietnam and Belgium will continue working to strengthen and deepen cooperative ties in various sectors, particularly in economy, trade and investment.

The agreement was made during the fifth meeting of the Vietnam-Belgium joint committee on economic cooperation, co-chaired by Vietnamese Deputy Minister of Planning and Investment Vu Dai Thang and Belgian Deputy Minister of Foreign Affairs, Development Cooperation & Foreign Trade Bruno Vander Luijm, in Brussels on November 6.

During the event, both sides agreed that Vietnam and Belgium have enjoyed robust economic cooperation following their previous meeting in 2017.

Thang spoke highly of efforts made by the two nations to promote comprehensive cooperation across trade, investment, development collaboration, education-training, science-technology and agriculture.

Notable deals between the two countries include a strategic cooperation agreement on agriculture, and a bilateral cooperation deal between the Vietnamese Government and authorities of the Flanders region, which were reached during PM Nguyen Xuan Phuc's visit to the European country in October 2018.

Belgium is currently the sixth largest trade partner of Vietnam in the EU, with two-way trade

in 2018 reaching 2.88 billion USD, of which the trade value of agricultural produce accounted for 413 million USD. Vietnam exports seafood, coffee, cashew, rice and wood products to Belgium, and imports milk and dairy products, animal feed and pesticide.

Vietnam has opened door for Belgian beef and pears, and Vietnamese fruit and vegetables have gained access to the Belgian market.

Thang and Luijm spoke highly of trade ties between Vietnam and Flanders, Wallonia-Brussels, and Brussels.

Regarding the EU-Vietnam Free Trade Agreement (EVFTA) and the EU-Vietnam Investment Protection Agreement (IPA), Thang expressed his hope that Belgium, with its important role in the EU, will offer further support to encourage the EU to adopt the trade pacts.

In the framework of their strategic partnership agreement on agriculture, both sides reached a consensus on close coordination to facilitate trade, set up trade exchange mechanisms, and boost shipments of agricultural products. They also agreed to develop value chains for coffee, cocoa, husbandry, seafood and vegetables.

Touching on investment cooperation, Belgium ranked 23th out of 132 countries and territories investing in the Southeast Asian nation, with registered capital of 1.03 billion USD in 70 projects as of September 30, 2019. Most of the projects are in real estate, water supply, sewage

treatment, processing and manufacturing, and power production.

During the meeting, the Vietnamese side asked the Belgian Government and authorities of the Flanders, Wallonia-Brussels and Brussels regions to encourage more Belgian enterprises to invest in Vietnam. The Belgian side affirmed its interest in investment opportunities in Vietnam.

Regarding development cooperation, organisations in Vietnam and the Belgian

Development Agency (ENABEL) had completed 12 projects using non-refundable capital funded by the Belgian Government under the Indicative Cooperation Programme (ICP) from 2011-2015.

The Belgian side said that bilateral development cooperation will open new collaborative channels for both nations through non-governmental organisations, regions, universities and research institutes./.

4. Vietnam, Algeria promote trade, investment at SIPA 2019

Trade Counsellor in Algeria Hoang Duc Nhuan has been busy in Oran to attend the opening of the 8th International Exhibition of Fishing and Aquaculture (SIPA 2019) and promote trade and investment with Algeria.

The SIPA 2019 was launched on November 6 in the presence of Algerian Minister of Agriculture, Rural Development and Fishing Cherif Omari and will run through November 9.

The biennial event, held since 2013, provides a platform for Algerian and foreign businesses to meet and explore opportunities for trade and investment in fisheries and aquaculture.

This year's event, themed "Fisheries and Aquaculture, driving forces towards sustainable economic development in Algeria," features about 100 booths run by domestic and international exhibitors in fishing, aquaculture, processing, packaging, fish feed, shipbuilding and more.

Later the same day, Nhuan met with Vice President of the Oran Chamber of Commerce and Industry (CCI Oran) Kehal Nacer and representatives of some member businesses. Both sides introduced to each other their potential and advantages and showed their interest in further beefing up the bilateral trade and investment.

Nhuan invited companies in Oran and Algeria in general to upcoming international expos in Vietnam, such as Vietnam Expo and Vietnam Food Expo.

He asked the Oran side to support Vietnam in seeking local partners and also said that there is a Vietnamese firm who wants to build a coffee processing plant in Algeria.

Nacer welcomed his guest's invitation and proposal, and agreed to meet with the Vietnam Chamber of Commerce and Trade (VCCI) to cooperate in business matching.

According to Trade Counsellor Hoang Duc Nhuan, Vietnam and Algeria signed a Memorandum of Understanding in fisheries and aquaculture in 2010. Seafood remains in Vietnam's Top 5 export items to Algeria. Vietnam annually exports to Algeria 9 million – 10 million USD worth of seafood, mostly frozen pangasius, basa, tuna and shrimp.

Data from the General Department of Vietnam Customs showed that Vietnam's export to Algeria totalled 135 million USD in the first three quarters of this year with the main items including coffee, metal products, mobile phones, seafood, pepper, rice, clothing and footwear./.

5. Sandbox - a path to Industry 4.0

At the Workshop on "Deploying sandbox to strengthen the foundations of the sharing economy" at the headquarters of VIR today,

editor-in-chief Le Trong Minh said that this is only the beginning of a series of topics and workshops related to the sandbox and Industry 4.0.

"The comments and recommendations of policymakers, experts, and businesses are useful to form a sandbox mechanism to promote socio-economic development and science-technology in the country. We sincerely hope that the workshop will contribute to clarifying issues related to a legislative sandbox," said Minh.

He added that Industry 4.0, which has opened up a lot of opportunities and challenges for every country, business, and individual, has been affecting every sector to a great degree.

However, if the country seizes the opportunity to grow, Vietnam will come closer to the goal of becoming a puissant nation in the world.

In order to increase awareness and encourage action, the Politburo issued Resolution No.52-

NQ/TW on September 27, providing guidelines and policies for active participation in the 4.0 era.

Reforms in economic management, building and perfecting mechanisms, especially for new business models such as the sharing economy and fintech requires drastic solutions from creating a framework of policies to the reinventing the approach of state management agencies to their core tasks. In particular, being open to new, previously unheard things is the most important.

This is not only a need in Vietnam: looking at international experience, the "regulatory sandbox" has been used by more than 30 countries. In fact, sandbox has been shown to provide fertile soil for new ideas and new technologies to develop – an environment startups need.

6. Gov't seeks sustainable growth in seafood sector

Vietnam has good potential for the development of the seafood sector, he said. In 2018, the country's seafood output totaled 7.7 million tons. Vietnam shipped US\$9 billion worth of seafood to foreign countries last year.

Between January and October this year, Vietnam fetched US\$7.1 billion from seafood exports.

"With these results, Vietnam has become one of the world's leading seafood exporters," he said, adding that the strong growth of the seafood industry has driven up the country's socioeconomic development and created a number of jobs for locals.

The deputy prime minister, however, pointed out that the seafood industry is still facing multiple challenges and obstacles, including being relatively small, lacking efficiency in production and processing activities and offering low quality products.

Apart from weak investment in seafood infrastructure, policies for the development of the sector remain restricted, he stated, adding that the country has yet to do away with illegal, unreported and unregulated fishing practices, leading to a negative impact on seafood exports.

To address these bottlenecks and challenges and improve the sector's competitiveness in the global market, the Government asked the relevant agencies, local authorities and firms to step up restructuring efforts based on the demands of the market and the development requirements of each region, explained Deputy PM Dung.

Besides this, in the restructuring process, it is necessary to promote the value chain from production and input material supply to farming, processing and consumption to reduce costs and enhance the quality of seafood products, he said.

The Government also asked the relevant units and processors to switch from traditional farming methods to seafood industrialization, reorganize their production and farming processes and apply advanced technology to manufacturing and processing operations.

The prime minister will instruct the ministries of Agriculture and Rural Development and of Natural Resources and Environment and the relevant agencies to review and renew planning activities in line with the Law on Planning, Dung said, adding that the country will enhance its focus on creating a seafood growth strategy in the coming years.

The deputy prime minister also urged the relevant agencies and local authorities to map out plans for the growth of the seafood sector for each year of the 2021-2025 period, determine capital sources and prioritize investments in key infrastructure projects, mainly in the Mekong Delta region, such as fishing ports, waterways, harbors and seafood farming facilities.

In addition to tightening control over investment, farming, processing and preservation processes to increase the quality of products and improve efficiency in infrastructure projects, it is vital to enhance international cooperation to expand consumption markets for Vietnam's seafood sector, according to Dung.

7. Light boxes may no longer be mandatory for ride-hailing vehicles

In a November 4 official letter sent to the prime minister, the ministry said that owners of traditional taxis and ride-hailing vehicles have the option of fixing either light boxes on their car roofs or reflective patches on their front and rear windshields.

If a light box is installed, it does not have to bear the phrase "Xe Taxi" (taxi).

The two options are aligned with prevailing regulations. For example, the 2008 Law on Road Traffic does not compel cabs to fix light boxes on their roofs, according to the ministry.

The ministry added that some countries do not force cabs to carry these light boxes, helping to reduce costs for transport operators and promote equality between traditional taxis and automobiles with fewer than nine seats that are used for contracted transport.

In terms of State management, control over the two types of vehicles is expected to be handled with visual identification tools.

The ministries of Transport and Public Security will delay the mandatory installation of surveillance cameras on passenger and cargo vehicles from the previous deadline of late 2020 to early July 2021.

The move was said to be in line with the timeline for the draft decree's submission and would ensure sufficient time for transport businesses to complete the installation and for regulatory agencies to guide the application of the new regulation.

In the latest draft decree, the Ministry of Transport allows household businesses to offer contracted automobiles, which is said to be in accordance with the Law on Road Traffic, the Civil Code and other related regulations.

However, these businesses must comply with all transport business requirements, such as holding transport business licenses and drivers' licenses, installing Global Positioning System devices and listing business information on the sides of their vehicles.

In July this year, Prime Minister Nguyen Xuan Phuc asked the Ministry of Transport to scrap unnecessary business requirements for transport firms, including a proposal for making rooftop light boxes mandatory for ride-hailing vehicles with fewer than nine seats.

The Government leader said the ministry should use information technology rather than traditional means to control ride-hailing firms, such as Grab.

Earlier, the ministry noted that e-charter automobiles with fewer than nine seats must have light boxes installed, reasoning that such a regulation would help manage transport business operations, enable customers to identify ride-hailing cars on streets and differentiate between a transport service provider and a supplier of other services.

The installation of rooftop light boxes would also prevent private vehicles from providing transport services illegally, which could make it difficult for traffic police officers to enforce laws, the ministry added.

Corporate News

8. VCB: Board approves the agreement on new HRM software

↑ 0.33%

On November 05, 2019, the Board of Directors of Joint Stock Commercial Bank for Foreign Trade of Viet Nam (Vietcombank) approved the transaction

between Vietcombank and FPT Information System Co., Ltd. (the related person is Mr. Truong Gia Binh, Independent Member of the Board of Directors) for the package of “Purchasing new human resource management software”.

9. REE: MHP becomes an associated company of REE

↑ 1.58%

Refrigeration Electrical Engineering Corporation (REE) completed the purchase of shares of Muong Hum Power Joint Stock Company (MHP) with the ownership ratio of 49% charter capital of MHP.

Accordingly, MHP will become an associated company of TBC as from the financial statements in Q4.2019.

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