



# VIETNAM DAILY NEWS

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## Market Analysis

### 1. VN-Index tumbles in late sell-offs

The VN-Index on the Ho Chi Minh Stock Exchange fell 1.27 per cent to close Thursday at 987.89 points, the biggest daily loss since August 5 when it fell 1.81 per cent.

It dropped 0.77 per cent on Wednesday.

The index was just below Wednesday's close of 1,000.56 points most of the day until a massive sell-off in last minutes of the day pushed it down further.

Trading liquidity increased sharply with more than 215 million shares exchanged, worth VND5.44 trillion.

The figure included more than 171.7 million shares that were traded in matching orders, worth VND4.1 trillion.

Market sentiment worsened after the latest developments of the US-China trade war indicated the two sides would not sign a deal soon, VNDirect Securities Corp said in its daily report.

Investors tried to cut losses and escape from assets at any prices, VNDirect said.

“When they see buyers are inactive and they are in unprofitable position, they tend to offer stocks for sale at much lower prices.”

Thursday was the date of maturity for the futures VN30F1911. It finished Thursday at 899 points, down 22 points from the previous day.

Stop-loss trading and opening new buy positions pushed trading volume of the derivatives market to more than 77,000 contracts.

Speculative money is flowing to the derivatives market from the common stock market as investors have better opportunities to make

profits here on the volatility of the futures, VNDirect added.

The market is getting riskier for investors with a short-term taste, the company said.

Large-cap stocks were hit by selling pressure. The blue-chip VN30-Index plunged 2.05 per cent to end at 898.23 points.

Among the worst decliners in the VN30 basket were Eximbank (EIB), VPBank (VPB), Techcombank (TCB), retailer Mobile World (MWG) and construction firm Cotecons (CTD).

Eximbank's shares fared the worst, falling 6.9 per cent.

Investors began seeking opportunities in small-cap companies, boosting the small-cap VNSML-Index up 0.23 per cent to 788.31 points.

The downtrend may be temporary, Sai Gon-Ha Noi Securities Co (SHS) said.

The futures VN30F1912, which matures on December 19, closed Thursday at 914 points – 16 points higher than the close of the VN30-Index.

“That difference indicates there is a chance for the market to bounce back in the upcoming day,” SHS said.

The VN-Index may recover on Friday and head to the resistance zone of 995-1,000 points, the company forecast.

On the Ha Noi Stock Exchange, the HNX-Index inched down 0.16 per cent to finish at 104.74 points.

The northern market index lost 0.55 per cent on Wednesday.

## Macro & Policies

### 2. VN-top 10 Myanmar's largest trade partners

Vietnamese Commercial Counsellor in Myanmar Vo Thi Ngoc Diep asserted that Vietnamese firms have more investment and business opportunities in Myanmar.

Myanmar is very potential to commodities and services from Viet Nam such as iron and steel, electronics, motorbikes and bicycles, food, information technology and communications.

Since the two nations set up comprehensive cooperative partnership in August 2017, the two sides' economic, trade and investment ties have witnessed positive growths. Viet Nam has been listed among top 10 Myanmar's largest trade partners.

According to the statistics of the Vietnamese General Department of Customs, the bilateral trade value hit US\$860 million in 2018, of which Viet Nam gained US\$702.1 million from exporting to Myanmar.

In the first nine months of 2019, the two-way trade turnover saw a year-on-year increase of 8.5%, reaching US\$708 million. During the period, Viet Nam's exports and imports from Myanmar reached US\$533.1 million and US\$4174.9 million, respectively.

Regarding the statistics of Myanmar's Directorate of Investment and Company Administration, Viet Nam has ranked seventh among 50 nations and territories investing in the country with the total registered capital of more than US\$2.16 billion in 25 projects in fields of manufacturing (16 projects), petrol (1), hotel and tourism (1), mining (1), livestock and fishery (1), transport and communications (3) and others.

More than 200 Vietnamese enterprises have poured investment into Myanmar.

### 3. Government loosen aviation business conditions

Decree No.89/2019/ND-CP issued on November 15 to amend and supplement articles related to the provision of conditional business lines in the field of civil aviation, creating favourable conditions not only for enterprises to set up airlines but also for investing in airports.

Specifically, the minimum capital, including equity and loans, to establish and maintain an air transportation business exploiting 10 aircraft is VND300 billion (\$13 million), from 11 to 30 aircraft is VND600 billion (\$26.1 million) and for those over 30 aircraft is VND700 billion (\$30.43 million). The minimum capital required to establish and maintain a general aviation business is VND100 billion (\$4.35 million).

The decree also regulates that air transport businesses which have foreign investment need three conditions. Foreign investors can account for no more than 34 per cent of the charter capital and must have at least one Vietnamese individual or a Vietnamese legal entity holding the largest

portion of the charter capital. In case of a Vietnamese legal entity with a foreign-invested contribution, the foreign capital share shall not exceed 49 per cent.

Previously, Decree No.92/2016/ND-CP stipulated that the foreign ownership limit in an air transport business is set at 30 per cent.

This new decree also repeals the regulations on approving the transfer of shares, capital contribution, and increasing the capital of aviation enterprises to foreign partners.

Regarding the conditions for granting an airport business license, Decree 89 stipulates that the minimum capital level to be selected is VND100 billion (\$4.35 million), and foreign investors cannot hold more than 30 per cent of the charter capital.

The air transport business license shall be revoked in case of failing to maintain the minimum capital requirement for three consecutive years or stopping air transport operations for 36 consecutive months. In addition, an air transport business license would be revoked if the company cannot be granted an aircraft operator certificate within 36 months from the date of issuance of the licence.

In addition, Decree 89 stipulates that the age of used aircraft imported into Vietnam to carry passengers cannot exceed 10 years from the date of delivery to the time of import into Vietnam as appropriate co-purchase or hire-purchase contract and can be no more than 20 years from the date of release to the end of the lease. Particularly, helicopters cannot be used for more than 25 years from the date of release to the end of the lease.

In Vietnam, Van Don International Airport (Quang Ninh) has become the first airport invested by a

private sector entity (Sun Group), which will hopefully provide a much-needed push for private investment.

Meanwhile, the remaining 21 airports are operated by Airports Corporation of Vietnam (ACV), which is 95 per cent owned by the state. ACV is also being proposed by the government to appoint a contractor to build Long Thanh airport with the total estimated investment of \$4.8 billion in the first phase.

In addition, ACV was also proposed by the Ministry of Transport to invest in the construction of terminal T3 of Tan Son Nhat International Airport with the total investment of over VND11 trillion (\$478.26 million) and waiting for the prime minister's comments.

Previously, a number of private enterprises voiced their desire to invest in the construction of T3 terminal, including Imex Pan Pacific Group-IPP, Vietjet, and FLC Group.

#### 4. Asia Coffee-Vietnam domestic prices fall, Indonesia trade tepid

Farmers in the Central Highlands, Vietnam's largest coffee-growing area, sold coffee COFVN-DAK at 33,500 dong (\$1.44) per kg on Thursday, down from 34,000 dong last week.

"Domestic prices dipped this week in line with the drop in London prices," said a trader based in the region.

Global prices on Wednesday recovered after falling continuously from Nov. 15. January robusta coffee LRCc2 settled up \$46, or 3.43%, at \$1,386 per tonne on Wednesday.

Vietnam-based traders said the 2019/2020 output would be similar to the 30 million bags picked in the previous season.

"Up to 15% of the 2019/2020 crop has been harvested, and more will arrive in December," another trader based in Ho Chi Minh City said. "It's

much easier to buy now as farmers have started to offer beans."

Traders in Vietnam offered 5% black and broken grade 2 robusta COFVN-G25-SAI at a \$120-\$130 premium per tonne to the January contract on Thursday, unchanged from last week.

Meanwhile, Indonesia's grade 4 defect 80 robusta beans COFID-G4-USD were offered at premiums of \$190-\$200 to January contract, unchanged from last week, one trader in Sumatra's Lampung province said.

Another trader said premium fell to \$220 to January contract from \$260 last week.

Supply has dried up as harvest has ended, while demand was notable subdued, the traders said. (\$1 = 23,193 dong) (Reporting by Phuong Nguyen in Hanoi and Mas Alina Arifin in Bandar Lampung; Editing by Shailesh Kuber).

## 5. Vietnam sets up unit to manage Van Don economic zone after failed SEZ draft law

The Vietnamese government has issued a resolution on the pilot establishment of a management unit of Van Don economic zone under the Quang Ninh People's Committee.

Under the master plan for socio-economic development of Van Don economic zone by 2030, the locality is expected to be transformed into a smart, modern and green coastal urban area, as well as the region's economic and cultural hub with GRDP of US\$5.6 billion, the population set to grow to 140,000 from the current 52,000, and create 89,000 jobs.

By 2050, Van Don should become one of Vietnam's major economic driving forces and a worth-living city in the Asia – Pacific.

Van Don district, located in Vietnam's northern coastal province Quang Ninh, along with Bac Van Phong (Khanh Hoa province) and Phu Quoc (Kien Giang province) were intended to become the

country's three special economic zones (SEZs) in the draft law on SEZs.

With expectation to be a breakthrough in legal and institutional reforms to boost economic development and investment in SEZs, the draft law was first submitted to the National Assembly for review in October 2017.

However, it was returned for revision several times and now put on hold, due to its complicated nature that resulted in divergent opinions among National Assembly deputies, experts and the public, said Nguyen Khac Dinh, head of the National Assembly Committee on Legal Affairs, last August.

One of the most controversial issues of the draft law was its proposal of land leasing tenure of up to 99 years in exceptional cases, which was later discarded by the government. Policy makers later proposed applying the Law on Land with regard to the duration of land leasing in SEZs.

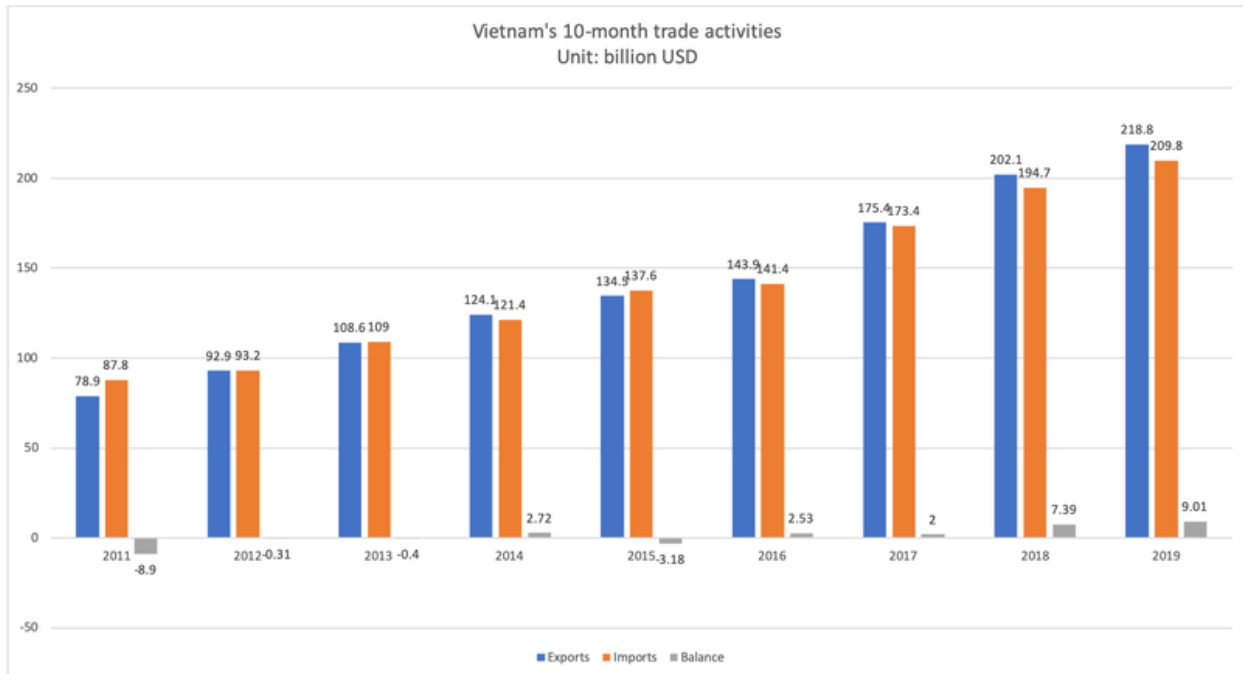
## 6. Vietnam Jan-Oct trade deficit with China hits record high of US\$29 billion

Vietnam's trade deficit with China hit a record high of US\$29 billion in the first ten months of 2019, an increase of nearly US\$9 billion over the same period last year, according to the General Department of Vietnam Customs (GDVC).

In the January – October period, Vietnam spent over US\$62 billion on importing goods from China, up 16.1% year-on-year and accounting for 29.6% of the country's total imports. While the imports increased sharply, Vietnam's exports to China were about US\$33 billion, down 1.4% year-on-year or about US\$500 million, accounting for 15% of total exports.

Vietnam ran a deficit of over US\$24 billion with its giant neighbor in the whole 2018.

A report from Bao Viet Securities Company (BVSC) attributed the US – China trade war to the widening of the deficit. Since the trade war between the two major countries broke out, many experts and regulators warned that Chinese goods would seek to penetrate other markets to compensate the shortfall from the US market. Accordingly, Vietnam with a large consumer market and favorable natural conditions is one of the destinations for Chinese goods, stated BVSC.

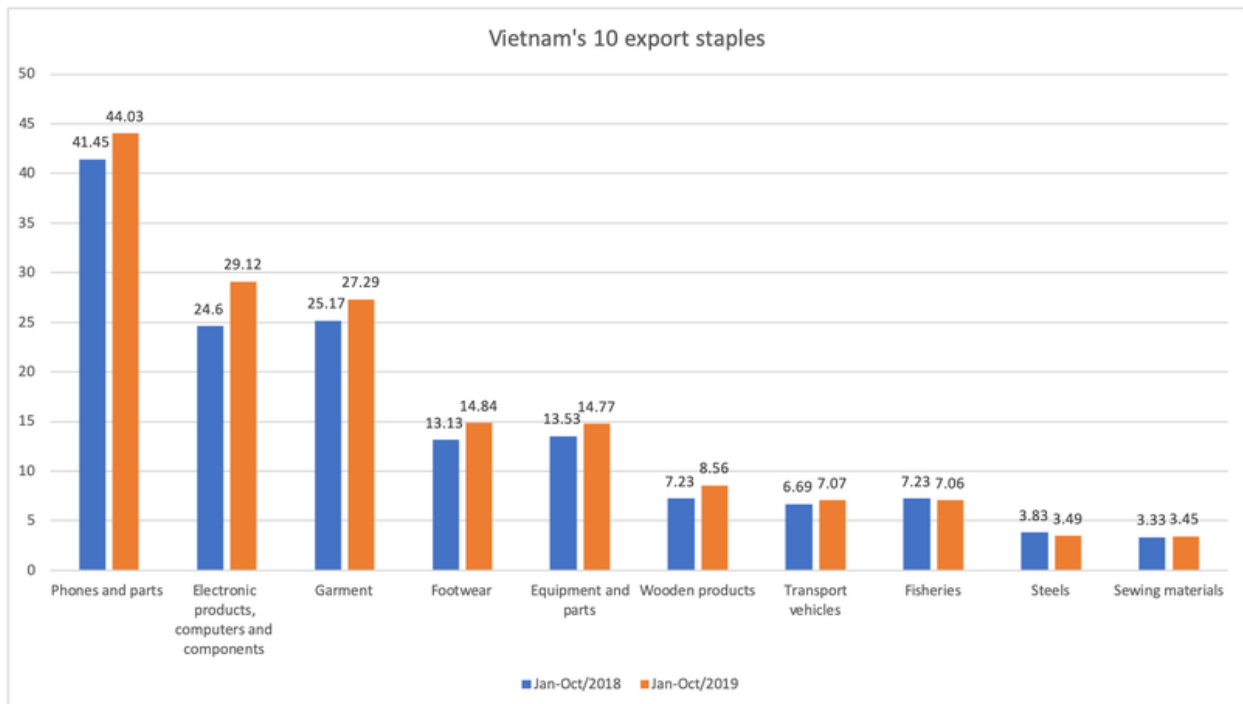


Data: GDVC. Chart: Ngoc Thuy.

In the January – October period, the US remained Vietnam's biggest export market, spending US\$50.30 billion on Vietnamese goods, up 27.6% year-on-year and accounting for 23% of Vietnam's total exports, followed by the European Union with US\$34.55 billion, down 0.7%, and China with US\$33 billion, down 1.4%.

Meanwhile, China remained Vietnam's largest import market with turnover of US\$62.3 billion, a 16.1% climb year-on-year and making up 29.6% of total imports

South Korea claimed the second place by exporting US\$39.43 billion worth of goods to Vietnam, up 0.5% year-on-year, followed by ASEAN with US\$26.67 billion, up 2.1%.



Data: GDVC. Chart: Ngoc Thuy.

Vietnam recorded a trade surplus of US\$1.86 billion in October, leading to a surplus of US\$9.01 billion in the first 10 months of 2019, up 23% year-on-year. This is also a record high figure for the 10-month period.

Customs statistics show that Vietnam's external trade in October reached US\$46.61 billion, up 3.3% from September, of which exports were US\$24.23 billion, up 3.7%, and imports US\$22.37 billion, up 2.39%.

In the first 10 months of the year, the country's external trade hit US\$428.63 billion, up 8% compared to the same period in 2018. Upon breaking down, exports totaled US\$218.82 billion, up 8.3% year-on-year, and imports reached US\$209.81 billion, representing an increase of 7.7%.

In October, foreign-invested companies posted a total import-export value of US\$28.93 billion,

including \$16.44 billion in exports, up 1.4% from September, and US\$12.48 billion in imports, down 4%.

Between January and October, foreign direct investment (FDI) companies recorded a trade turnover of \$271.13 billion, accounting for 63.3% of the country's and up 4.3% from the same period last year. Meanwhile, the domestic sector recorded a trade value of US\$157.5 billion, or 36.7% of Vietnam's total trade revenue, up 14.9% year-on-year.

The FDI sector posted exports of US\$149.83 billion in the January – October period, up 4.8% year-on-year, accounting for 68.5% of Vietnam's exports, while the sector imported goods worth US\$121.3 billion during the period, up 3.7% year-on-year, accounting for 57.8% of total imports.

This resulted in the sector's trade surplus of US\$28.53 billion during the period.

## Corporate News

### 7. GEG: Resolution on the reappointment CFO

↑ 0.00%

the reappointment of Ms. Tran Thi Hong Tham as CFO in 36 months as from November 21, 2019.

On November 20, 2019, The Board of Directors of Gia Lai Electricity Joint Stock Company approved

### 8. MBB: Report on results of trading of shares by affiliated organization - MB

↓ -0.88%

Report on results of trading of shares by affiliated organization - MB of Military Commercial Joint Stock Bank as follows:

File Attachment

[20191121 MBB-191121-Report-on-results-of-trading-of-shares-by-affiliated-organization--MB.PDF](#)



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