



VIETNAM DAILY NEWS

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Market Analysis

1. Stock market seen seesawing next week (Dec 9-Dec13)

The VN-Index is predicted to move in the range of 950-970 points next week, Tran Xuan Bach of the macro and market research department at Bao Viet Securities JSC (BVSC) said in a report.

Either upward or downward escape from this band will result in the VN-Index's new trend of volatility in the short term.

According to BVSC's report, the market will likely touch the resistance level of 970 points, testing the resistance range of 980-985 points in the short term.

In the second half of December, the market is expected to improve and will retest the resistance range of 990-995 points.

BVSC advised investors to maintain their equity exposure at 30-35% of the total portfolio. Investors with high equity exposure should reduce stock holdings during market upward correction as the current market situation still poses a high risk to them.

Meanwhile, BIDV Securities Company forecast that the market will continue to hover in the range

of 950-983 points. Foreign investors' net sales may obstruct a recovery of the market but the current prices of stocks are favorable to the disbursement in the next two to three months.

The market will continue to experience somber trading before a stronger recovery in the coming periods. Investors are advised to maintain their stock portfolios at 30-40%, according to Thanh Cong Securities Company.

This week, the VN-Index lost for three days. At the end of the week, it dropped 7.19 points, or 0.74%, to 963.56 points compared to the close of this week. On the Hanoi Stock Exchange, the HNX-Index closed the week at 102.5 points, equal to the close of the week.

The biggest losers on the HCMC bourse this week were dairy firm VNM (down 2.66 points), consumer goods company MSN (down 2.56 points) and gas distributor GAS (down 1.41 points). Adversely, the best performers included brewery firm SAB, steelmaker HPG and lender HDB, adding to the index 1.32, 0.81 and 0.37 points, respectively.

Macro & Policies

2. Bac Giang province attractive to industrial investors

With its potential and advantages in industrial development, the northern province of Bac Giang has been an attractive destination for investors, especially those in industrial sectors such as electronics, food processing, mechanics, chemicals, and construction material production.

Among the six existing industrial parks (IP) in the province, Quang Chau IP has drawn 18 projects, including two domestically-invested projects with combined capital of over 1.28 trillion VND (55.3 million USD), and 16 foreign-invested ones worth over 1.75 billion USD.

According to Nguyen Xuan Ngoc, Vice Director of the Management Board of Bac Giang Industrial Parks, so far, local IPs are housing 317 valid investment projects, including 94 domestically-invested projects worth 7.86 trillion VND (33.53 billion USD) and 223 FDI projects with total capital of over 3 billion USD. The IPs have created jobs for about 85,000 labourers.

Bac Giang is currently ranking sixth among 63 localities nationwide in investment attraction.

However, he pointed out that the greatest problem of the province is slow completion of infrastructure system in many industrial parks, along with poor performance of some departments, sectors and localities in investment promotion.

Many projects have faced difficulties during its implementation, especially in the process of ground clearance and compensation, he added.

Ngoc said that in order to create a clean land fund for investors and industrial development, in the future, the province will review the planning of existing IPs and develop new ones in the 2020-2030 period, making Bac Giang a locality with developed industrial sector.

Meanwhile, head of the Office for Management of Enterprises in IPs of Bac Giang Tran Van Thong said that to deal with difficulties and obstacles facing businesses and investors, the provincial Department of Natural Resources and Environment has proposed the province issue documents to address matters related to coordination among various sectors such as transportation, construction as well as localities, the IP Management Board and local enterprises.

In the first quarter of 2019, Bac Giang granted licences to 30 new projects, including 11 by domestic investors worth over 180 billion VND and 19 FDI projects with total capital of over 148 million USD.

Currently, Bac Giang is hosting investors from 12 countries and territories, mostly from Republic of Korea with 218 projects, and China with 95 projects and Japan with 22 projects.

Particularly, the locality has drawn eight projects in solar panel production, which is a promising sector of the province. Businesses in this field have headed to green production to protect the environment./.

3. Vietnam likely to post trade surplus for fourth straight year

With a record trade surplus of 9.12 billion USD over the first 11 months and year-on-year export growth of 7.8 percent, experts believe that 2019 will be the fourth straight year Vietnam will post a trade surplus.

According to the Export-Import Department under the Ministry of Industry and Trade, the

country shipped 241.42 billion USD worth of goods abroad between January and November, up 7.8 percent from the previous year.

That included 74.72 billion USD exported by domestic businesses and 166.7 billion USD (including crude oil) from foreign invested firms, rising 18.1 percent and 3.8 percent, respectively.

The domestic sector's proportion of total export revenues also increased to 30.95 percent from 29.16 percent.

Meanwhile, imports have reached 232.31 billion USD so far this year, up 7.4 percent year on year. The figure includes 98.2 billion USD by domestic firms and 134.1 billion USD by foreign invested companies, up 13.9 percent and 3.1 percent, respectively.

Analysts said amidst the complex global situation and more non-tariff barriers, Vietnam's sustained export growth and record trade surplus have proven the effectiveness of its efforts to take advantage of export opportunities.

Deputy Director of the Export-Import Department Tran Thanh Hai said by the end of November, 32 commodities had enjoyed an export turnover of

more than 1 billion USD, including eight with over 5 billion USD and five with over 10 billion USD in revenue.

He said exports to the markets that Vietnam has free trade agreements with have posted good growth, including Japan (up 7.6 percent year on year), the Republic of Korea (10.1 percent), ASEAN (2.5 percent), Russia (9.1 percent) and New Zealand (6.8 percent).

The US remained the biggest destination for Vietnamese goods in the reviewed period, followed by the EU, China, ASEAN, Japan and the Republic of Korea.

The export structure has also been improved with less raw materials and more processed and industrial products shipped abroad, Hai added./.

4. ACV proposed for Tan Son Nhat airport terminal development

The ministry recently submitted a report to the Government containing its assessment of the in-principle proposal for the construction of a new domestic passenger terminal.

The project involves constructing a terminal, expanding the current apron and developing other auxiliary facilities.

The third terminal, whose floor area covers an estimated 100,000 square meters, is expected to handle 20 million passengers per year, which will help ease the burden on the current domestic passenger terminal.

The project requires some VND10.99 trillion (US\$475 million) in funding from ACV and is scheduled for completion within three years and

one month from the date of its in-principle approval.

The Tan Son Nhat International Airport is forecast to serve more than 45 million passengers by 2025. However, the total capacity of its current domestic and international passenger terminals reaches some 28 million passengers per year. Therefore, ACV has deemed the construction of a third terminal necessary.

The State currently owns a 95.39% stake in the HCMC-based ACV, with the remainder held by both local and foreign investors.

ACV operates under a parent company-subsidary model, managing 22 airports nationwide, nine of which are international airports, including Noi Bai, Danang, Tan Son Nhat and Can Tho.

5. Binh Duong bumps up foreign funding appeal

According to Mai Hung Dung, Standing Deputy Chairman of Binh Duong People's Committee, more and more global investors are arriving to scope out funding opportunities.

"Binh Duong will create favourable conditions for foreign investors to collaborate with domestic investors to implement a range of large scale projects in the province," Dung said. "Many members of the HORASIS network come to learn more about Vietnam generally and Binh Duong in

particular. Big events like HORASIS are a new way of attracting effective investment into the province.”

At a dialogue on the theme of investment opportunities in Binh Duong, Dung fielded many questions from foreign investors regarding projects offered by the province.

According to Binh Duong Department for Planning and Investment, the province is now calling for investment into many large-scale developments. The establishment of the World Trade Centre in Binh Duong New City and a science and technology industrial park attracted the most interest.

These two projects were submitted by Becamex IDC, a leading company which has more than 20 years of investment experience in Binh Duong.

Nguyen Van Hung, chairman of Becamex IDC, commented that these projects will provide major motivation to encourage growth in Binh Duong and the whole region in the near future.

“The Fourth Industrial Revolution and the science and technology boom has been overwhelming for the world, creating both opportunities and challenges. Therefore localities in the southern key economic region, including Binh Duong, must be more active in development, to increase their competitiveness on the global stage,” Hung said.

The proposed science and technology industrial park will be built on a 900-hectare area in Bau Bang district, next to National Route 13 and the

My Phuoc-Tan Van Road connecting Binh Duong to Ho Chi Minh City. This park will attract key manufacturing sectors with high added value and advanced human resources.

Meanwhile, the World Trade Center in Binh Duong New City will create opportunities for the province to reach out to more than a million global companies who are members of the World Trade Centers Association.

Over the past three years, Binh Duong has taken appropriate steps to become a smart city. The province has assigned relevant departments and agencies to implement key plans, including a project to develop smart logistics, creating motivation to attract high value-added businesses, promoting business production, and developing a back-end semiconductor factory.

These will all lay the foundations for motivating Binh Duong to make future breakthroughs and are vital in attracting investment in the future.

According to the recent report of Binh Duong Department of Planning and Investment, from early 2019 to October 31, more than \$2.77 billion in foreign direct investment (FDI) was licensed for the province, an on-year increase of 69 per cent and exceeding the plan of \$1.5 billion set for the whole year. This has led to Binh Duong being ranked third nationwide for FDI attraction.

The province so far has attracted nearly \$34 billion in 3,700 foreign-invested projects from 64 nations and territories, mainly concentrating on manufacturing, trade, and services.

6. Tra fish exports to Russia slump

Export revenue of tra fish to the Russian market in the first 10 months of this year fell 31 percent compared to last year to 12.5 million USD, reported the Vietnam Association of Seafood Exporters and Producers (VASEP).

According to the association, the sharp drop followed last year's declining trend, and was likely to continue for the rest of 2019.

VASEP said that in the last two years, Russia's tra fish consumption has been modest, with unstable import prices.

Meanwhile, the European country's imports of frozen tra fish fillets have increased slightly by 3 percent, but that of frozen whole fish have fallen 29 percent./.

Corporate News

7. SZL: Signing a contract for Workshop No.4 & No.5

↓ -0.57%

According to Board Resolution No.381 dated December 04, 2019, the Board of Directors of Sonadezi Long Thanh Shareholding Company approved the signing of contract for the package “Consulting and Supervision of construction and installation of Workshop No.4 & No.5 – Chau Duc Industrial Zone” between Sonadezi Long Thanh Shareholding Company and the related firm Sonadezi Chau Duc Shareholding Company (related persons: Mr. Nguyen Van Tuan, Mr. Dinh Ngoc Thuan, Mr. Pham Anh Tuan).

- Related firm: Sonadezi Chau Duc Shareholding Company

- Content: Sonadezi Chau Duc Shareholding Company will be the firm implementing the package “Consulting and Supervision of construction and installation of Workshop No.4 & No.5 – Chau Duc Industrial Zone”

- Value of contract:

Workshop No.4: VND343,995,114 (VAT included)

Workshop No.5: VND347,810,271 (VAT included)

The value of contract is less than 35% of the total assets of SZL in the latest financial statements.

8. SBT: SBT allowed to extend the submission of financial statements

↑ 0.27%

On December 03, 2019, the State Securities Commission approved Thanh Thanh Cong - Bien Hoa Joint Stock Company to extend the submission date of the quarterly financial statements:

The Company must announce its quarterly and reviewed quarterly (if any) financial statements within 30 days from the last day of the quarter, but no more than 05 days from the day when the audit firm signs the reviewed financial statements.

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