



VIETNAM DAILY NEWS

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Market Analysis

1. Shares end on mixed note with unclear macro signals

On the Ho Chi Minh Stock Exchange, the VN-Index edged up 0.26 per cent to close at 966.06 points.

Meanwhile, the HNX-Index on the Ha Noi Stock Exchange was down 0.13 per cent to end the session at 102.36 points.

Both stock indices lost value last week.

Liquidity increased with nearly 295 million shares worth VND7.1 trillion (US\$319 million shares) being traded on the two markets, up 50 per cent in volume and 35 per cent in value compared to Friday.

Large caps, which often lead the market trend, diverged. Half of the top 30 largest shares by market value and liquidity on the Ho Chi Minh Stock Exchange (VN30) gained value but 11 lost.

The market leaders included PV Gas (GAS), Vinamilk (VNM) and brewer Sabeco (SAB) which increased by more than 1 per cent each.

Vinamilk's shares (VNM) gained 1.6 per cent to VND118,100 (\$5.10) a share following the information that Viet Nam's biggest dairy company has approved plans to raise stakes in GTNFood (GTN) to 75 per cent. By December 6, Vinamilk owns nearly 108 million GTN shares, equivalent to 43.17 per cent stake, which means it will have to buy additional 79.5 million shares.

On the dark side, slump of Masan Group (MSN) and Techcombank (TCB) dragged the market with shares decreasing between 1.5-3.2 per cent.

"The market continued to recover in a state of tension and indecision when the domestic and foreign macro signals were not really clear," BIDV Securities Co's analysts wrote in the daily report.

They said the price range of 950-983 points will still be the main movement area of the VN-Index.

Tran Xuan Bach, a stock analyst at Bao Viet Securities Co, said the market needed to penetrate through the resistance zone around 970 points to confirm the recovery trend and head toward 980-985 point zone in the short term.

"We believe the market will possibly improve in the second half of December, especially after the exchange-traded funds (ETF) review session is over," he wrote in a note.

Foreign investors ended their five-session net selling session streak on the HCM City's exchange and closed Monday as net buyers by value with net value of nearly VND58 billion. However, they remained net sellers by volume with 4.5 million shares.

The foreign sector were net sellers on the Ha Noi's bourse with net value of more than VND5 billion.

Macro & Policies

2. Vietnam Travel & Tourism Summit 2019 opens in Hanoi

The Vietnam Travel & Tourism Summit 2019 opened in Hanoi on December 9 with four symposiums taking place in the morning to discuss bottlenecks of Vietnam's tourism.

Revitalising national tourism promotion to inspire more foreigners to visit Vietnam was the theme of a symposium, during which participants contributed their ideas to improve the nation's tourism messages and the operation of tourism offices abroad.

One of the proposals at the symposium was the early launch of the tourism development support fund. Other opinions dealt with how to address existing problems such as overcharging tourists, food safety and safety for visitors.

Another symposium looked at how to improve tourists' experience in preparing and planning Vietnam visits, considering the fact that many visitors face difficulties in using Vietnamese online tourism services, such as real products not matching advertisement and a lack of direct consultancy.

Meanwhile, increasing tourism products, improving infrastructure, ensuring safe environment, enhancing human resource quality and applying information technology were the key

issues discussed at the third symposium titled Improving tourists' destination experience in Vietnam.

According to statistics of the Vietnam National Administration of Tourism under the Ministry of Culture, Sport and Tourism, the number of foreign visitors to Vietnam has been growing at two-digit rate, but the return rate was low at somewhere between 10-40 percent. International visitors' spending in the country averaged only 900 USD, partly due to a lack of diverse products and services.

Experts from an EU project proposed piloting an index to rate the competitiveness of destinations in Vietnam.

The fourth symposium focused on the development of aviation to serve tourism development.

The Vietnam Travel & Tourism Summit 2019 was jointly held by the government's Advisory Council for Administrative Procedure Reform, the Ministry of Culture, Sports and Tourism, the Vietnam Tourism Advisory Board (TAB), the Vietnam Tourism Association and VnExpress online newspaper./.

3. Vietnam GP track to be ready by 'end of the year'

For the first time Vietnam will host a race in 2020 – it's scheduled to be Round 3 on the calendar, running from April 3-5.

Work on the grandstands, the interior of the pit buildings, and the track surface is ongoing, but Vietnam Grand Prix CEO Le Ngoc Chi said they are 80% ready to go.

"We are 80 percent ready, we expect everything to be completed by the end of the year. I feel nervous when I realise there are only 120 days left," she is quoted as having told Auto Hebdo.

"I watch a countdown in my office like an advent calendar. But the FIA has confirmed the date on the calendar and our team is working tirelessly."

Hermann Tilke's organisation is responsible for designing the street circuit, and he stressed this isn't the first time they have built a circuit in a short timeframe.

"It is not the first time we've done this. In Bahrain, we only had 14 months for a full circuit," he explained.

He also doesn't agree that it's an easier project because it's a street circuit.

"You would think so, but it's not true. The public roads must all be completely re-asphalted because they were not designed for Formula 1," he said.

The first new circuit to be added to the calendar under Liberty Media's reign, Tilke believes Vietnam is "definitely worth a visit".

"It's a cool city. One part is very exotic, another is very modern. Hanoi is definitely worth a visit," he said.

4. German firms see positive outlook

Wolfgang Schmitz-Heinen, CEO of Witte Holding GmbH, visited Vietnam for the first time last week to look for opportunities to start a business here. Witte is a family-run global company in the printing business that specialises in printing secure and self-adhesive labels for various applications including the automotive and electronic industry.

"We want to expand abroad more than before and are analysing different countries, and we got the opportunity to join this business delegation organised by the OAV-German Asia-Pacific Business Association to Vietnam. We are impressed from south to north there, and would like to follow this track to see what is possible for us. I have ideas, but we have to check now the circumstances to ensure that everything we have to do is carried out properly, but we will do it fast," he told VIR.

"What I learned in these last few days is that almost every industry could use labels. I think we will make contact at first with German companies already in Vietnam which are clients of ours in places like Germany and Mexico to get more information before making any conclusions."

Witte Holding was one of over 20 German firms that joined the cross-sectoral business mission to explore prospects in Vietnam organised by the OAV-German Asia-Pacific Business Association. Other notable names included BASF Vietnam Co., Ltd, DZ Bank AG, GerBanFibres Ltd., HDI Global SE, and SAP Vietnam.

Representatives of the companies visited Vietnamese giants in some developed industries in Hanoi, Ho Chi Minh City, Haiphong, and Danang, including VinaCapital Group, VinaCapital Ventures, Thaco Chu Lai, Hoa Phat Steelwork, Vingroup, FPT Software, and T&T Corporation.

Connection with these domestic companies is seen as vital in order to learn how to penetrate into the burgeoning market in Vietnam – a country which boasts high economic growth and a growing middle class.

At VinFast Haiphong, the delegation visited the car manufacturer's body shop and general assembly shop in Dinh Vu-Cat Hai Economic Zone, before enjoying a VinFast test drive. As Vietnam's first high-volume automotive manufacturer, VinFast is developing and manufacturing its own range of innovative, world-class vehicles – thus, it is looking for both financiers and suppliers.

The development of industry leaders like VinFast requires a strong supporting industry. However, Vietnam still lacks a comprehensive value chain to bolster development. In this segment, German businesses and their strong expertise can work hand in hand with the industry's top performers in this country.

"German companies and lenders are looking closely at the possibilities of supplying and financing equipment for projects and companies in Vietnam," Almut Roessner, executive member of the OAV board explained. "So one aspect that we have learned from our visit is that there are good business opportunities for German high-quality equipment and know-how in supplying local champions."

German enterprises are now targeting Vietnam as an important market in Asia, according to Roessner. "The OAV is working with local governments and agencies in the entire Asia-Pacific region to organise such business missions for German companies to get information about the opportunities and challenges of the different markets. This year we went to Bangladesh and Vietnam – both countries leading with high

growth rates. In future, we will organise further such business missions.”

Also last week, the OAV and its members discussed with Vietnam's Ministry of Planning and Investment (MPI), and the Ministry of Industry and Trade on the possibilities of strengthening bilateral investment and trade ties in the upcoming time.

The business mission comes at a time as some changes are made in Vietnam to push more economic links between the two countries in

anticipation of the upcoming enforcement of the EU-Vietnam Free Trade Agreement. German companies are set to benefit, and next year will be a particular focus as the two countries celebrate 45 years of diplomatic relations.

With new developments would help change the German investment picture in Vietnam soon. According to the MPI, as of November 20, Germany had 349 valid investment projects in Vietnam, registered at \$2.04 billion, ranking 18th among 132 countries and territories with investment in the Southeast Asian nation.

5. Finance ministry proposes cutting import taxes on chicken, pork

The Ministry of Finance has recently sent Dispatch No.14813/BTC-CST to competent ministries and sectors, suggesting cutting import on chicken and pork products.

Accordingly, import tariff on frozen chicken parts in the sub-category 2207.14 is suggested to be cut from 20 percent to 18 percent, which is equivalent to the duty reduction in the roadmap in the first year implementing the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).

Chicken imports increased during April and June as compared to the same time in 2018 as consumers sought alternatives to pork following the outbreak of the African swine fever (ASF), according to the Ministry of Agriculture and Rural Development.

Regarding fresh or frozen pork (except for whole or half carcasses, ham, butt and picnic shoulder), the ministry recommended a tariff reduction from 25 percent to 22 percent./.

6. Fruit, vegetable exports slip

China, the country's largest fruit and vegetable importer, accounted for 66.8% of Vietnam's total exports, but its spending on Vietnamese produce fell 13.7% year-on-year, VnEconomy news site reported.

Though the 11-month period saw an increase in revenue from produce shipments to the United States, Europe, Japan, South Korea and the Netherlands, it was hard to make up for the Chinese market's decline.

As for fruits, dragon fruit and durian exports took the lead by value. Dragon fruit generated US\$974.3 million between January and November, but inched down 8.9% year-on-year, while durian exports fetched US\$759 million, down 17.4% against the year-ago period.

The value of outbound shipments of coconuts, longans and watermelons also plunged by 34.9%, 56.2% and 26.4%, respectively.

Meanwhile, Vietnam imported over US\$1.6 billion worth of farm produce between January and November this year alone, up 3.4% year-on-year, with 29.7% from Thailand, 25.6% from China, 15.5% from the United States and 6.3% from Australia.

The Agro Processing and Market Development Authority reported that the fall in fruit and vegetable exports has dragged down the prices of agro products.

The price of durians has tumbled by VND20,000 per kilogram as since mid-2019, China has tightened its control over import activities, while

durians have yet to be exported through formal channels. Dragon fruits have also edged down to VND5,000-7,000 per kilogram from VND10,000 per kilogram.

Le Thanh Hoa, deputy director of the authority, said that apart from boosting the registration of growing area codes and packaging codes to ramp up fruit and vegetable exports to China, local firms active in this sector should focus on investment in technology and modern equipment for their production and processing operations.

In addition, they should prioritize cooperation and connection with partners in supply chains to raise their export capacity.

As some of Vietnam's produce consumers have set strict requirements on imports, the Ministry of Agriculture and Rural Development has proposed the Government issue preferential policies for the agricultural sector so that exports of fruits and vegetables can overcome these technical barriers.

Corporate News

7. STB: Change of Transaction Office Address and Name

↓ -0.50%

Sai Gon Thuong Tin Commercial Joint Stock Bank disclosed the change of transaction office address and name as follows:

No	Old name & address	New name & address
1	Sai Gon Thuong Tin Commercial Joint Stock Bank – Quan 5 Branch – Cho Binh Tay Transaction Office. 14 Thap Muoi street, ward 2, district 6, HCM city.	Sai Gon Thuong Tin Commercial Joint Stock Bank – Binh Chanh Branch – Vo Van Van Transaction Office. B7/20K Hamlet 2A, Vinh Loc B commune, Binh Chanh district, HCM city.

8. TMP: BOD resolution on the first cash dividend for 2019

↑ 0.00%

On December 06, 2019, the Board of Directors of Thac Mo Hydro Power Joint Stock Company approved to pay first cash dividend for 2019 as follows:

- Record date: December 23, 2019
- Exercise ratio: 15%
- Payment date: December 31, 2019.

Research Team: Tsugami Shoji Researcher jsi@japan-sec.vn

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Japan Securities Incorporated – JSI

Address: 14F, TNR Tower, 54A Nguyen Chi Thanh, Lang Thuong, Dong Da, Hanoi

Tel: (024) 3791 1818

Fax: (024) 3791 5805

Email: info@japan-sec.vn

Website: www.japan-sec.vn