



VIETNAM DAILY NEWS

January 15th, 2020



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Market Analysis

1. Stocks rebound but short-term outlook gloomy

Vietnamese shares bounced slightly Tuesday with improved trading liquidity, but market sentiment remained weak.

The benchmark VN-Index on the Ho Chi Minh Stock Exchange inched up 0.12 per cent to close at 967.00 points.

The VN-Index fell 0.28 per cent on Monday.

Trading liquidity increased significantly compared to the previous trading day.

More than 190 million shares were traded on the southern bourse, worth VND4.28 trillion (US\$185 million).

On Tuesday, more than 147 million shares were traded, worth VND2.76 trillion.

The market breadth was slightly negative with 163 declining stocks and 155 gainers on the southern market.

Sharp increases in trading liquidity were seen in some large-cap stocks such as FLC Faros Construction (ROS), Vietinbank (CTG), Military Bank (MBB) and steel producer Hoa Phat (HPG).

Shares of those companies advanced between 0.9 per cent and 6.6 per cent.

Those stocks were also among the four best-performing large-caps in the VN30 basket.

The large-cap VN30-Index, which tracks the performances of the 30 largest stocks by market

value and trading liquidity, rose 0.34 per cent to 884.77 points.

Other gainers in the basket included VPBank (VPB), property firm Novaland (NVL) and SSI Securities Corp (SSI), which were up between 0.1 per cent and 2.7 per cent.

Mid-cap stocks also performed well, pulling the mid-cap VNMID-Index up 0.94 per cent while small-cap VNSML-Index edged down 0.19 per cent.

The market sentiment was unchanged, Thanh Cong Securities Co (TCSC) said in its daily report.

The upcoming week-long Tet (Lunar New Year) holiday made investors unwilling to increase the shares-cash ratios in their portfolios, TCSC said.

With the current conditions, the VN-Index would keep struggling between 950 points and 970 points as it has been doing in the past six weeks, the company forecast.

Trading liquidity would remain modest and attention would be divided into shares of banks, retailers, oil and gas firms, and technology businesses, TCSC said.

On the Ha Noi Stock Exchange, the HNX-Index added 1.03 per cent to end at 103.36 points.

The HNX-Index increased by a total of 3.02 per cent in all four trading days between January 8 and January 14.

Nearly 23 million shares were traded on the northern market, worth VND278 billion.

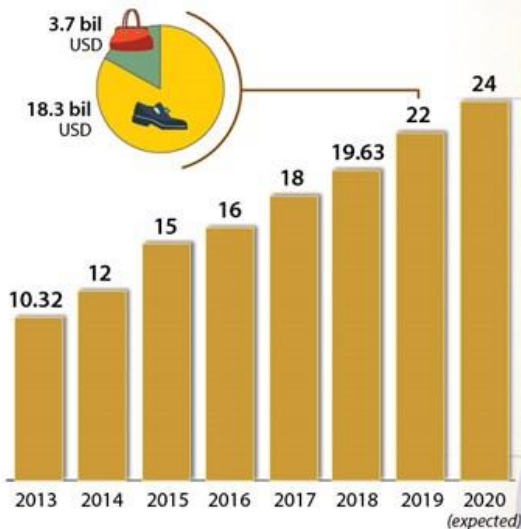
Macro & Policies

2. Leather and footwear export turnover expected to hit 24 billion USD

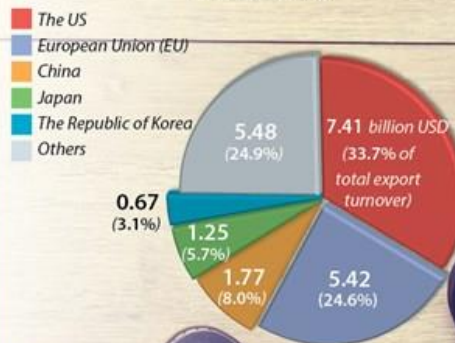
Leather and footwear export turnover expected to hit 24 billion USD

In 2019, footwear and leather export will reach the target of 22 billion USD, up 12.2% compared to 2018. By 2020, footwear export turnover is forecast to reach 24 billion USD, maintaining a growth rate of 10% compared to 2019.

LEATHER AND FOOTWEAR EXPORT TURNOVER OVER YEARS (billion USD)



MAJOR IMPORT MARKETS (11 months)



Source: LEFASO

<https://infographics.vn>



3. Vietnamese users prefer biometric authentication in payment: survey

A strong majority of cardholders in Vietnam are interested in using biometric authentication such as fingerprints or facial recognition to complete transactions, rather than PIN numbers or passwords and other, a study said.

The study, which was commissioned by Visa and conducted by Fabrizio Ward, LLC was an online survey of credit cardholders in Vietnam which looked into attitudes towards existing and new methods of payment authentication, with a particular focus on issues of security, convenience, and reliability.

According to the research, 95 percent of respondents had used fingerprint recognition in the past to make a payment, making it the most popularly used form of biometric authentication.

Across the board, the survey found that biometric payments are seen as being more secure, faster and easier than traditional methods.

Survey respondents clearly ranked biometrics as some of the most secure forms of authentication, with 97 percent indicating that they felt fingerprint recognition was a secure method, followed by eye scans at 94 percent, and facial recognition at 92 percent. These ranked above methods like PIN

numbers at 87 percent, and passwords at 84 percent.

Some 83 percent of survey respondents indicated that they had abandoned a purchase online, with the most commonly cited reasons for doing so being that they had forgotten a password (41 percent), or they'd had troubles logging on to their account (38 percent).

This could explain why only one in five respondents stated that they use unique passwords for each account. At the same time, 93 percent said that they felt secure when paying using either a PIN or password.

Dang Tuyet Dung, Visa Vietnam's Country Manager, said: "The study shows that there is a clear desire

for biometrics in the marketplace, and furthermore, that Vietnamese consumers are very keen adopters of new technologies. These are positive signs for us, as we work with banks in Vietnam to introduce more individualised and secure methods of identifying cardholders so that we can work towards our goal of eliminating fraud while making the payment process even simpler for consumers."

When asked for reasons why they may not currently be using biometric authentication, respondents' leading response was that their bank did not support the technology. However, a large majority indicated they would likely switch away from banks, payment card providers, or mobile services that didn't offer biometric authentication./.

4. Binh Duong's FDI inflows double yearly goal

The southern province of Binh Duong raked in 3 billion USD in foreign direct investment (FDI) last year, doubling the year's 1.5-billion-USD plan, according to Vice Chairman of the provincial People's Committee Nguyen Thanh Truc.

Binh Duong is now home to over 3,700 FDI projects, with combined capital of 34.3 billion USD, invested by 65 countries and territories, Truc said, adding the province ranks second in the country in foreign investment attraction.

He said last year's new projects aligned with the province's priorities and met environmental standards. There were many hi-tech projects with a large registered capital, for example, the 171-million-USD Internet service supply project of a joint venture between Japan's NTT Group and Vietnam Technology & Telecommunication JSC.

Great outlook in FDI attraction remains this year as a number of projects about to get permits have quite large capital, such as production expansion project, with an extra investment of 610 million

USD, of paper producer Cheng Loong Binh Duong Paper from China's Taiwan. The project is expected to enable the firm to produce 1 million tonnes of industrial paper and 50,000 tonnes of consumer papers.

The vice chairman added from 2016 – 2020, manufacturing accounted for a majority of FDI so the province has been encouraging FDI flows in trade, services and hi-tech.

In the first few weeks of 2020, Binh Duong has welcomed multiple groups of foreign investors to visit and explore local business opportunities. He highlighted the visit of President of Bumin Medical Group Chung Hungtae from the Republic of Korea to Binh Duong last week who said he wants to invest in healthcare in the southern province.

The RoK was Binh Duong's fifth largest foreign investor in 2019 with nearly 3.2 billion USD injected into over 800 projects, most of which in textile and garment, footwear, automotive support industry, healthcare, beauty products and food processing./.

5. Ministry gearing up for 2.6 Ghz auction

Minister of Information and Communications Nguyen Manh Hung has urged the Authority of Radio Frequency Management to auction off space on the 2.6 Ghz spectrum.

Nguyen Duc Trung, Director of the authority, said the authority had met with representatives from the Ministry of Finance, Ministry of Justice, and Ministry of Planning and Investment to soon complete necessary procedures for the practice.

The 2.6Ghz spectrum is an important resource to expand 4G coverage, especially in provinces and cities with a high concentration of 4G subscribers.

Vietnamese mobile networks are currently operating four mobile technologies including 2G, 3G, 4G and 5G, said the Vietnam Telecommunications Authority (VNTA).

This caused high operating costs for businesses, while they could not focus resources on new generation mobile technology, it said.

Radiofrequency resources are split, reducing resource efficiency and affecting the quality of services provided to customers, said VNTA.

Previously, the Government requested the Ministry of Information and Communications speed up the licensing process of 2.6 GHz band to deploy 4G network for telecommunication enterprises in accordance with the law before June 20 this year.

In compliance with the Government's request for frequency band planning, the Ministry of

Information and Communications will formulate a roadmap and submit to the Government the suspension of 2G technology and license 5G for commercial use this year.

Deputy Prime Minister Vu Duc Dam chaired a meeting with representatives of ministries and agencies to remove difficulties in granting broadbands, improving the quality and services of 4G networks in July 2018.

Currently, the bandwidth flow for 4G networks on the 1800 MHz band, which also serves 2G networks, is too low compared to actual needs, affecting the quality of 4G speed and service.

The average speed of internet in Vietnam ranks 75th in the world.

Therefore, the Ministry of Information and Communications plans to license the 2.6 GHz spectrum to enable telecommunications firms to improve their 4G networks.

The Ministry of Information and Communications licensed Viettel to test the new 2.6 GHz frequency in 12 provinces and cities on December 30 last year.

Viettel said that in the past, to serve the needs of 4G with more than 38,000 stations amid a lack of frequency resources, the firm had to optimise the entire 1800MHz band of the 2G network and a part of the 2,100 MHz bands of the 3G network./.

6. Motorbike sales in Vietnam shrink in 2019

The Vietnam Association of Motorcycle Manufacturers (VAMM) has said its five members, namely Honda, Piaggio, Suzuki, SYM, and Yamaha, sold over 3.25 million motorbikes in 2019, a year-on-year decline of 3.87 percent.

Honda is making up nearly 81 percent of the sector's market share with the most diverse range of products.

The five VAMM members are manufacturing and distributing nearly 100 models of motorcycles with prices ranging from tens of millions of VND to over one billion VND each.

Other domestic brands present in Vietnam's motorcycle market are VinFast and Pega, as well as foreign firms such as Kymco, Ducati, Kawasaki, BMW, KTM, Benelli, Harley Davidson, Triumph, Royal Enfield, and Motorrad.

According to insiders, as Vietnamese people's incomes have increases, more customers have been switching to buying cars. Last year, 400,000 cars were sold at home, a record number over the past 20 years.

Air pollution in big cities has also made a large number of people use their personal cars or buses instead of motorbikes to ensure health and reduce traffic jam, experts said./.

Corporate News

7. Vietjet to open five more air routes to Japan

↓ -0.34%

The Hanoi/HCMC/Danang-Nagoya, Hanoi-Fukuoka, and Hanoi-Kagoshima air routes are expected to diversify Japanese and Vietnamese customers' options.

Besides this, the planned launch will contribute to strengthening the strategic cooperation between Vietnam and Japan and promote economic and cultural ties between them.

The announcement ceremony took place on January 13 within the framework of the Japan-Vietnam Bilateral Tourism Promotion Conference held in Danang City, which gathered more than 1,000 delegates from Japan, including officials from Japan's National Assembly, the Japanese government and leaders of major Japanese corporations.

8. FLC group's stocks attract cash flow

↑ 6.64%

The benchmark index of the Hochiminh Stock Exchange added 1.16 points, or 0.12%, over the previous session to close at 967, with 155 stocks advancing and 163 others falling. Trade volume exceeded 190 million shares worth over VND4.2 trillion, soaring 30% in volume and 53% in value.

Block deals contributed over VND2 trillion to the overall value, with some 14 million CTG shares, worth almost VND308 billion, and over 10 million NVL shares worth more than VND555 billion transacted.

The VN30 basket saw a rising differentiation in the afternoon, with 11 gainers and 13 decliners, while the remaining six moved sideways at the close. Of these, steelmaker HPG rose as high as 3.1%, lender VPB inched up 2.7% and its fellow CTG increased 1.3%.

Construction company ROS was in the limelight when it surged 6.6% to hit the ceiling price of VND12,050, with over 12 million shares transacted. Other stocks in the FLC family, including FLC, AMD, increased over 4% versus Monday.

Meanwhile, insurer BVH and lender STB dropped some 1%, along with other poor performers such as consumer goods company MSN, gas firm GAS, and brewery SAB.

Also, lender BID came under profit-taking pressure and moved toward its reference price at VND50,100. Other stocks, namely VCB, VRE, VHM also wrapped up at reference prices.

On the northern bourse, the profit-taking pressure faced by some largecaps caused the HNX-Index to struggle, but the positive trade of lender ACB helped the index to end at the intraday high.

Specifically, ACB gained 2.6% to VND23,500. Some other stocks behind the HNX-Index's winning session included detergent producer DGC and realty firm CEO.

Lender SHB led the northern market by liquidity with more than four million shares traded, following by its fellow ACB.

Overall, the HNX-Index rose 1.06 points, or 1.03%, to stay at 103.36, with the winners outnumbering the losers at 37 to 32.

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