



# VIETNAM DAILY NEWS

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## Market Analysis

### 1. VN-Index's gain eases due to profit-taking

The VN-Index gained on Thursday but investors dumped a huge amount of stocks at the close to collect profits.

The benchmark VN-Index on the Ho Chi Minh Stock Exchange rose 0.06 per cent to close at 938.24 points.

The index had gained 0.32 per cent to end at 937.68 points on Wednesday.

According to Bao Viet Securities Co (BVSC), the VN-Index will keep moving sideways with divergence among stocks. It should test the resistance zone of 940-943 points in the last session of the week.

"We are leaning toward the possibility that the market will oscillate in the trading range between the support zone 930-932 and resistance zone 940-943 points. A positive breakout of this consolidation is expected," BVSC said.

More than 177.7 million shares were traded on the southern bourse on Thursday, valued at VND3.2 trillion (US\$137.4 million).

Market breadth was negative as decliners outnumbered gainers by 185 to 146.

Among the top gainers were PetroVietnam Gas JSC (GAS) (+1.7 per cent), brewery Sabeco (SAB) (+1.9 per cent), real estate developer Vingroup (VIC) (+0.4 per cent), VPBank (VPB) (+2.9 per cent), Viet Nam National Petroleum Stock (PLX) (+0.8 per cent), Vietinbank (CTG) (+0.2 per cent), Vincom Retail (VRE) (+0.6 per cent), FPT Corporation (FPT) (+0.4 per cent) and Novaland (NVL) (+0.2 per cent).

Some pillars which suffered from profit-taking pressure included Vinhomes (VHM) (-0.6 per cent), Bank for Investment and development (BID) (-0.8 per cent), Military Bank (MBB) (-1.2 per cent), Vinamilk (VNM) (-0.3 per cent), Mobile

World Group (MWG) (-0.9 per cent), Masan Group (MSN) (-0.6 per cent), Vietcombank (VCB) (-0.1 per cent), Hoa Phat Group (HPG) (-0.4 per cent) and Techcombank (TCB) (-0.2 per cent).

In positive news, the European Parliament (EP) officially ratified EU-Viet Nam Free Trade Agreement (EVFTA) on Wednesday. The agreement needs to be approved by Viet Nam's National Assembly in May to come into force.

Under the tariff reduction roadmap, tariffs on most yarn and fabric products will be immediately exempted while tariffs on garments will gradually fall to 0 per cent in 6-8 years.

Textiles, therefore, were among the sectors that have benefited from the agreement. Gainers in the textile group on Thursday were TNG Investment and Trading JSC (TNG) (+1.2 per cent), Thanh Cong Textile and Garment Joint Stock Co (TCM) (+1.4 per cent), Viet Nam National Textile & Garment Group (VGT) (+1.1 per cent) and Song Hong Garment JSC (MSH) (+2.1 per cent).

Retail, agriculture, insurance, food and beverage, construction, securities, oil and gas, banking, and rubber production were among declining sectors.

The sector indices declined between 0.09 per cent and 1.97 per cent, according to vietstock.vn.

The VN30-Index, which tracks the performance of the 30 largest stocks by market capitalisation and liquidity on HoSE, grew by 0.11 per cent to 864.16 points.

On the Ha Noi Stock Exchange, the HNX-Index dropped 0.30 to end Thursday's session at 108.19 points.

The northern index had climbed 3.57 per cent to end Wednesday at 108.51 points.

More than 40.6 million shares were traded on the northern bourse for VND481 billion.

## Macro & Policies

### 2. Industrial sector's growth likely to slow down due to COVID-19

Growth of Vietnam's industrial sector is likely to slow down in the first quarter of 2020 due to negative impacts from the acute respiratory disease caused by a novel **coronavirus** (COVID-19), according to the General Statistics Office (GSO).

Sectors using materials imported from China are badly affected since China has been a major supplier of materials and accessories for Vietnam. The manufacturing and processing sector, which account for the lion's share of the **industrial sector**, will be the hardest-hit.

The GSO said if the COVID-19 outbreak is stamped out in the first quarter, the industrial sector is projected to grow 2.68 percent compared to the same period last year.

The manufacturing and processing sector is likely to expand just 2.38 percent instead of 10.47 percent in case of no disease.

On the other hand, if the disease lasts until the end of the second quarter, the industrial sector's growth is forecast to reach nearly 6.99 percent. In this scenario, the manufacturing and processing sector is estimated to expand 8.51 percent.

Other sectors will also be affected, especially garment-textile, leather and footwear production. In the first three months of the year, the textile sector is expected to grow 1.9 percent, while the garment sector is forecast to contract 1.5 percent and the leather and shoe production sector is likely to expand 0.5 percent. Without COVID-19, the growth of these sectors are likely to reach 10.5 percent, 7.9 percent and 8.5 percent, respectively.

The production of motor vehicles and metals may also slow down in the first quarter by rising only 6.9 percent and 5.2 percent, respectively. Meanwhile, electronic device, computer and optical device production will possibly see a decline of 2.3 percent in the period.

The GSO has proposed the Government address bottlenecks in a bid to accelerate the implementation of major public investment projects nationwide, thus boosting socio-economic development, said its General Director Nguyen Bich Lam.

The Government is advised to take supportive measures, such as seeking alternative suppliers, reducing export-import tariffs and working to boost domestic consumption.

### 3. Vietnam promotes farm exports to India

Vice Minister of Industry and Trade Cao Quoc Hung has held various meetings with Indian government agencies and business associations to promote exports of Vietnamese agro-fishery-forestry products, according to the Ministry of Industry and Trade (MoIT).

The activities aim to relieve pressure for Vietnam's agricultural sector, as exports to China, one of Vietnam's major buyers of farm products, are poised to plunge due to the impact of the Covid-19 outbreak.

At a meeting with Indian Importers Chambers of Commerce and Industry (IICCI) on February 12, Hung briefed the agency on the advantage and

competitiveness of Vietnamese fruits and agricultural products, especially dragon fruit and catfish.

To date, dragon fruit is the only Vietnamese fruit licensed for export to India, while catfish is one of Vietnam's highly competitive seafood products.

However, with the complicated Covid-19 situation in China, the consumption of such products are declining, said Hung.

In the fields of textile and footwear, Hung said Vietnam is seeking alternative sources for input materials beyond China and hoped India would help Vietnam in this regard.

Chairman of IICCI Atul Kumar Saxena said trade relations between Vietnam and India have been strengthened recently.

Saxena added that India with a large market and high consumption power is an opportunity for Vietnamese agricultural products, especially dragon fruit and catfish, which are fast becoming favorite among Indian customers. He suggested Vietnam continue promoting commercial activities with India.

Hung asked IICCI to advise the Indian government against the use of trade protection measures towards Vietnamese pepper, cashew and incense, among others.

This would be key to ensure bilateral trade turnover will hit the US\$15-billion mark in the shortest time possible, Hung asserted.

In a separate meeting on February 12, Chairman of the Trade Promotion Council of India (TPCI) Mohit Singal said Vietnamese dragon fruit has better quality compared to those from other countries. However, the majority of Indian customers do not know about the product.

Singal added Vietnamese lychee is delicious, but has not been granted access to the Indian market and recommended the Vietnamese government work with its Indian counterpart for opening the market for lychee.

According to Singal, every year India holds 40 – 50 trade fairs for agricultural and food products, which present opportunities for Vietnamese enterprises to promote their products.

#### **4. Vietnam sees huge drop in cyber-attacks: security firm**

According to a report released Tuesday, the security consultancy firm detected 9,370 attacks in Vietnam out of a total of 563,000 attacks worldwide, putting it in 11th place in term of economies with the highest number of website attacks recorded last year.

In Southeast Asia, Indonesia (5th) and Singapore (9th) experienced more attacks than Vietnam.

"The number of web server cyber attacks globally and in Vietnam are antagonistic in the first three quarters, but both markets saw a drop in the fourth quarter of 2019. However, Vietnam's signal was somewhat more positive with the number of attacks dropping sharply compared to Q3, helping the country move from 10th position in Q3 to 19th in Q4 rankings. This is a good sign for the website and information security situation in Vietnam," the report said.

Singapore also enjoyed a lower number of attacks in Q4 than Q3, while Indonesia and Japan both saw their website security slip.

In Japan, the number of server-based website attacks in the country increased strongly in Q4 and moved to 7th spot in the quarter report.

The U.S. remains the country witnessing the most attacks throughout 2019 with a total of 236,424 cases, followed by India with 31,158 and Turkey with 30,953 cases.

CyStack analysis also shows that over 45 percent of hacked websites worldwide use .com domain names, followed by .in (6 percent) and .net (4.3) domains.

In Vietnam, more than 80 percent of hacked webs are commercial websites and websites of businesses and organizations (.com and .vn) while less hacked domains include .net, .info, .org.

The report also noted that nearly three quarters of websites hacked in Vietnam use WordPress content management platform, followed by Drupal and Joomla web content platforms.

Meanwhile, the Linux operating system and the Apache web server softwares are subjects most targeted by hackers. 46.02 percent of hacked servers use Linux operating system and 29.98 percent use Apache web server.

Nguyen Huu Trung, Chief Technology Officer of CyStack, said that there are many basic mistakes

from website owners that put their sites at higher risks, including poor password management, using themes and plugins containing malicious code, unsafe programming that creates security holes in websites, unsafe cloud configuration and unreasonable webmaster authorization.

To minimize the possibility of the website being hacked, experts recommend that users implement

different measures to improve the website's security such as using strong passwords and centralized password management, always update content management system when possible, check for website vulnerabilities and constantly monitoring security issues arising in order to promptly respond when problem occurs.

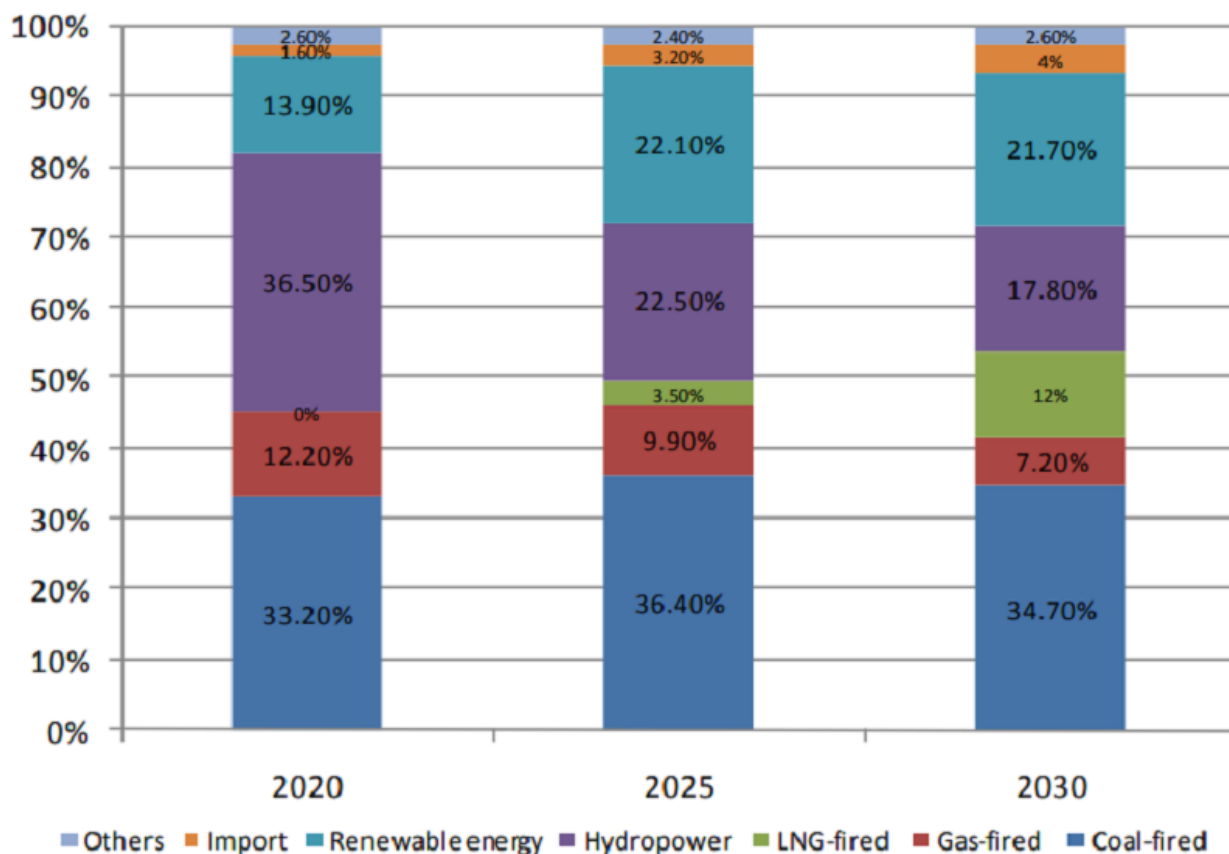
## 5. LNG energy to account for 12% of Vietnam's power generation capacity by 2030

Liquefied natural gas (LNG) energy in Vietnam is estimated to account for 12% of the country's power generation capacity by 2030, or 17 gigawatts, according to Deputy Prime Minister Trinh Dinh Dung.

Power demand in Vietnam grows 10% annually on average and the country is pursuing the energy

transition in which LNG power and renewable energy will be prioritized over coal-fired power, Dung said at a meeting on February 11 with investors from the US and South Korea.

At the meeting, the deputy PM said Vietnam has welcomed and facilitated foreign investment in the LNG sector.



Vietnam's energy mix by 2030. Source: MOIT

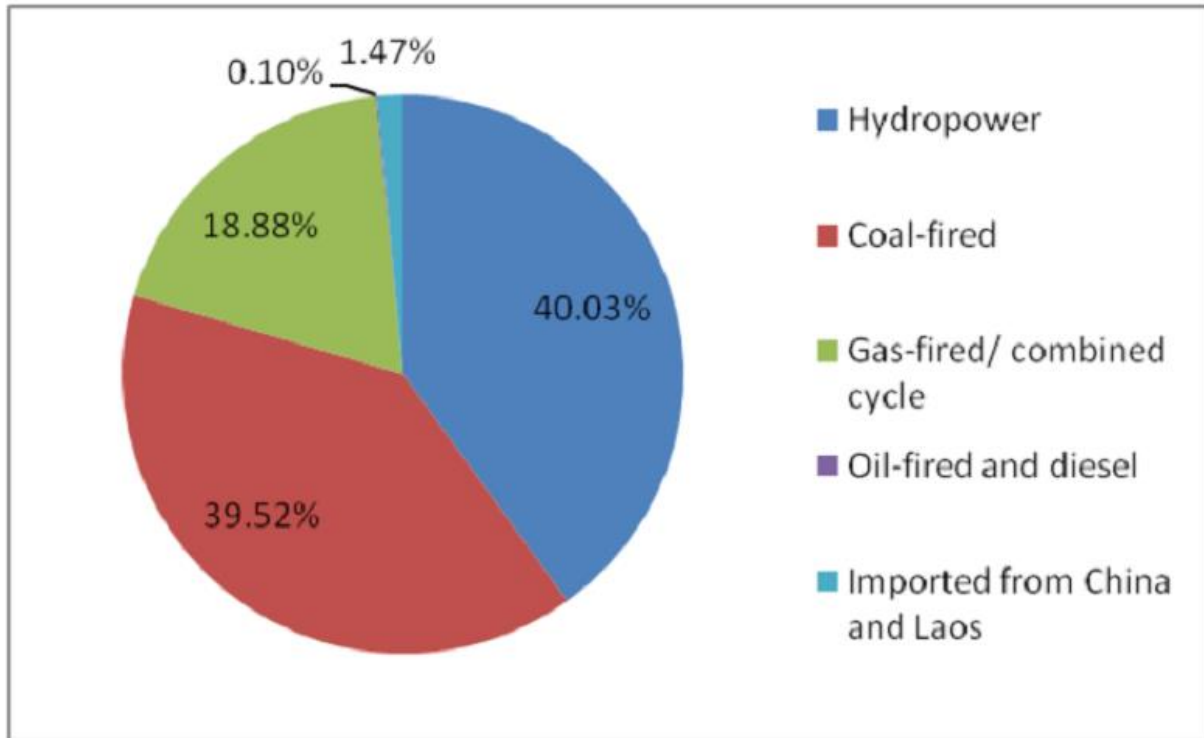
Vietnam, with GDP growth averaging 6.5% in the last few years, has a long-standing policy orientation that emphasizes the crucial role of

natural gas in supplying reliable, competitive electricity while meeting national carbon emissions targets.



Based on the current outlook for domestic production, Vietnam will need to import significant volumes of LNG beginning within the

next 5-10 years, necessitating at least US\$7-US\$9 billion of investment in LNG import infrastructure, according to the World Bank.



Power generation output in Vietnam in 2018 (219 billion kWh in total). Source: MOIT

projects, and ongoing investment in infrastructure and business development models.

The Vietnam's Ministry of Industry and Trade estimated that the country's imported LNG volume will be 5 million, 10 million and 15 million tons by 2025, 2030 and 2035, respectively.

To help the country proceed with its energy transition process, the World Bank has identified the key constraints on mobilizing investment in LNG-to-power, namely: a) lack of a modern regulatory and planning approach; b) lack of a bankable integrated commercial framework for LNG-to-power; and c) limited government experience with managing LNG pricing and volume risks.

According to the World Bank, the primary issue is how to establish appropriate pricing structure to integrate the new gas/LNG supply. Other issues include ensuring government support for new gas

## 6. Việt Nam's aviation industry expands market to maintain growth

Minister of Transport Nguyễn Văn Thể speaks to Vietnam News Agency about solutions to control the epidemic and promote business activities of the industry to compensate for losses.

The aviation industry has suffered the greatest impact from the coronavirus epidemic, while the ministry has not seen much effect on road transport between Việt Nam and China, or rail transport.

Which field of the transport sector has faced the greatest impact from the epidemic?

In 2019, the number of passengers travelling between Việt Nam and mainland China by air was more than six million, accounting for 5 per cent of

the total passengers passing through airports in Việt Nam last year.

The coronavirus epidemic is directly affecting flights between Việt Nam and China, and it is hard to calculate losses.

However, air transport between Việt Nam and other countries has been maintained. Therefore, the ministry has promoted passenger and cargo transportation to other markets, such as Korea, Japan, Australia and Taiwan, to compensate for the losses.

The ministry is also focused on expanding to new markets, such as India. India is a potential market for Việt Nam's aviation sector, and it has not yet been developed.

During Vice President Đặng Thị Ngọc Thịnh's visit to India from February 11-13, Việt Nam launched three new routes between Việt Nam and India, with direct flights from Hà Nội, Đà Nẵng and HCM City.

The ministry has encouraged local airlines to increase domestic flights because in the past, they have given a lot of priority to explore international routes, including China.

The increase in domestic flights will facilitate air transport for local passengers and connection among domestic tourist destinations.

However, the sector hopes flights between Việt Nam and China to recover in the near future.

For road and rail transport, the ministry would further develop the domestic market and expand to ASEAN countries via Thailand because many countries have restricted transport of passengers and cargo via China during the epidemic.

At present, Việt Nam has maintained freight transport by rail through China for import and export activities. Therefore, the ministry has directed the railway industry to control the epidemic on its transport system.

What does the Ministry of Transport propose the Government do to help the sector during the epidemic?

The ministry's current solution is to encourage road and rail transport companies to save fuel and adjust routes to improve efficiency.

Meanwhile, the ministry has received proposals from airlines to help them deal with difficulties, including increasing fares. But the ministry is likely not to submit this proposal to the Government, because the epidemic is expected to reduce profits by about 5-7 per cent and with this percentage, the ministry believes that airlines will still make a profit.

The State will give support to airlines that face losses. If the companies are still profitable while this epidemic affects the economy and society, then they should share the burden.

The airlines have also proposed to increase service fees and the ministry disagrees with this proposal. As passenger numbers have fallen, the airlines can reduce flights, thereby cutting operating costs.

When the companies prove their business activities are in trouble or suffer losses, the ministry will consider those cases for Governmental support.

What has the ministry done to prevent and control this epidemic in the transport sector?

The ministry has closely followed the direction of the Government in the prevention of the coronavirus epidemic. It has established a steering committee on prevention and control led by a deputy minister of transport and also requested transport sectors such as aviation, railway and road to have specific solutions on control of the epidemic.

At present, the ministry continues to carry out the directions of the National Steering Committee for epidemic prevention and control. It will strengthen control in aviation, railway, road and marine transport. It will also promote control of exported goods across the border.

## Corporate News

### 7. FRT: Record date for AGM 2020

↑ 6.08%

On February 12, 2020, the Hochiminh Stock Exchange issued Announcement No.130/TB-SGDHCM about the record date of FPT Digital Retail Joint Stock Company as follows:

- Ex-right date: March 02, 2020
- Record date: March 03, 2020

Reason & purpose: to hold the 2020 Annual General Meeting of Shareholders.

Content:

- Exercise ratio: 01 share – 01 voting right
- Meeting time: expected in March 20, 2020
- Meeting venue: Notice later.

### 8. CII: Record date for AGM 2019

↓ -0.42%

On February 12, 2020, the Hochiminh Stock Exchange issued Announcement No.135/TB-SGDHCM about the record date of Hochiminh City Infrastructure Investment Joint Stock Company as follows:

- Ex-right date: March 02, 2020
- Record date: March 03, 2020

Reason & purpose: to hold the 2019 Annual General Meeting of Shareholders.

Content:

- Exercise ratio: 01 share – 01 voting right
- Meeting time: Notice later
- Meeting venue: Notice later.



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