



VIETNAM DAILY NEWS

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Market Analysis

1. Stock market sinks to yet another low

The VN-Index dropped 1.51 percent to 895.97 points Wednesday, its lowest point since January 9 last year.

247 stocks fell and 109 rose on the Ho Chi Minh Stock Exchange (HoSE), Vietnam's main bourse on which VN-Index is based.

Order matched transactions fell to VND2.6 trillion (\$112.31 million) from VND3 trillion (\$129.59 million) the previous session, equivalent to an average trading day on the stock market last month.

The VN30-Index for the bourse's 30 biggest market caps fell 0.94 percent, with 22 losing and 6 gaining. Six stocks fell more than 2 percent this session, none of them belonging to the same sector.

ROS of real estate developer FLC Faros topped losses once again with 3.8 percent. The blue chip is currently one of the most volatile VN30 stocks, swinging from floor to ceiling prices for most sessions in the past month.

It was followed by BID of BDIV, one of Vietnam's three biggest state-owned lenders by assets, and GAS of state-owned energy giant PetroVietnam Gas, both shedding 3.7 percent.

Next in line were VNM of Vietnam's biggest dairy firm Vinamilk, down 2.8 percent, VHM of real estate developer Vinhomes, 2.6 percent, and BVH of insurance giant Bao Viet Group, 2.5 percent.

Other notable losing blue-chips were VCB of Vietcombank and CTG of VietinBank, the remaining two of Vietnam's three major state-owned banks, down 1.4 percent and 1.1 percent respectively.

VIC of private conglomerate Vingroup, the market's biggest capped share, slipped one percent, while MSN of food conglomerate Masan Group and VJC of budget carrier VietJet Air dropped 1.7 percent and 1.6 percent respectively.

In the opposite direction, POW of Vietnam's second biggest electricity generator PetroVietnam Power led gains with 2.5 percent, followed by FPT of IT services Giant FPT, up 1.9 percent.

The next three gaining tickers were private mid-sized banks, namely, TCB of Techcombank, up 0.7 percent, STB of Sacombank, 0.4 percent, and EIB of Eximbank, 0.3 percent.

Meanwhile, the HNX-Index for stocks on Hanoi Stock Exchange, Vietnam's second main bourse for small and midcap stocks, edged down 0.05 percent, and the UPCoM-Index for unlisted public companies shed 0.34 percent.

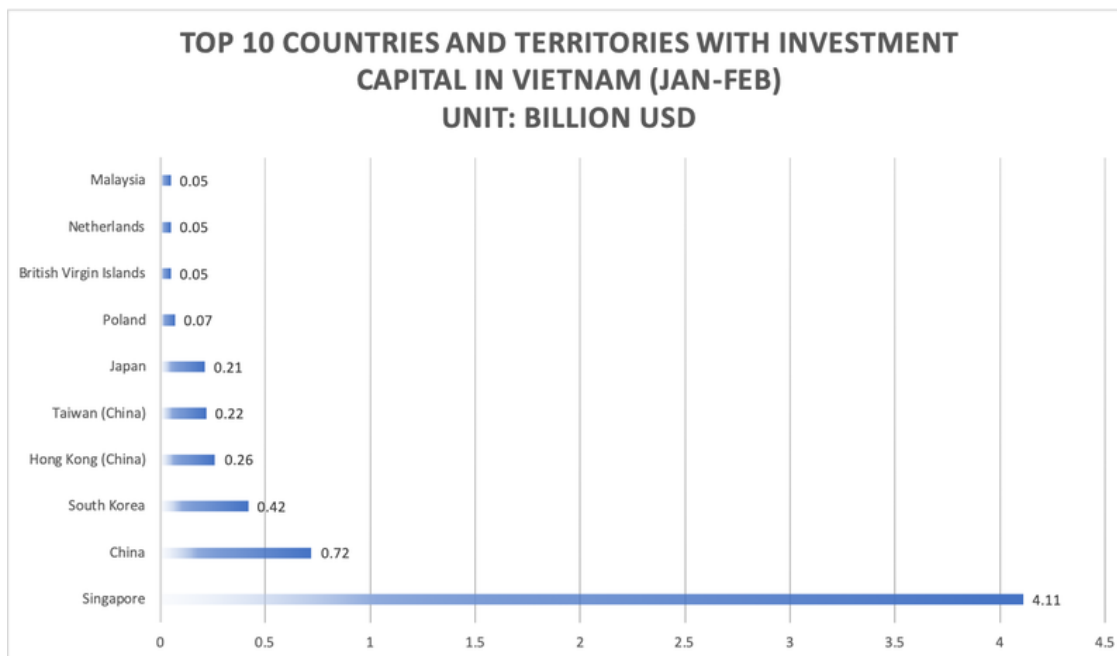
Foreign investors were net sellers for the twelfth consecutive session on all three bourses, with a net sell value of VND250 billion (\$10.8 million). Selling pressure was mostly focused on VNM of Vinamilk and VCB of Vietcombank.

Macro & Policies

2. Actual FDI in Vietnam falls 5% to US\$2.45 billion in Jan-Feb

Disbursements of foreign direct investment (FDI) projects in Vietnam totaled US\$2.45 billion in the first two months of 2020, representing a decline of

5% year-on-year, a report of the Foreign Investment Agency (FIA) under the Ministry of Planning and Investment has shown.



Data: FIA. Chart: Ngoc Thuy.

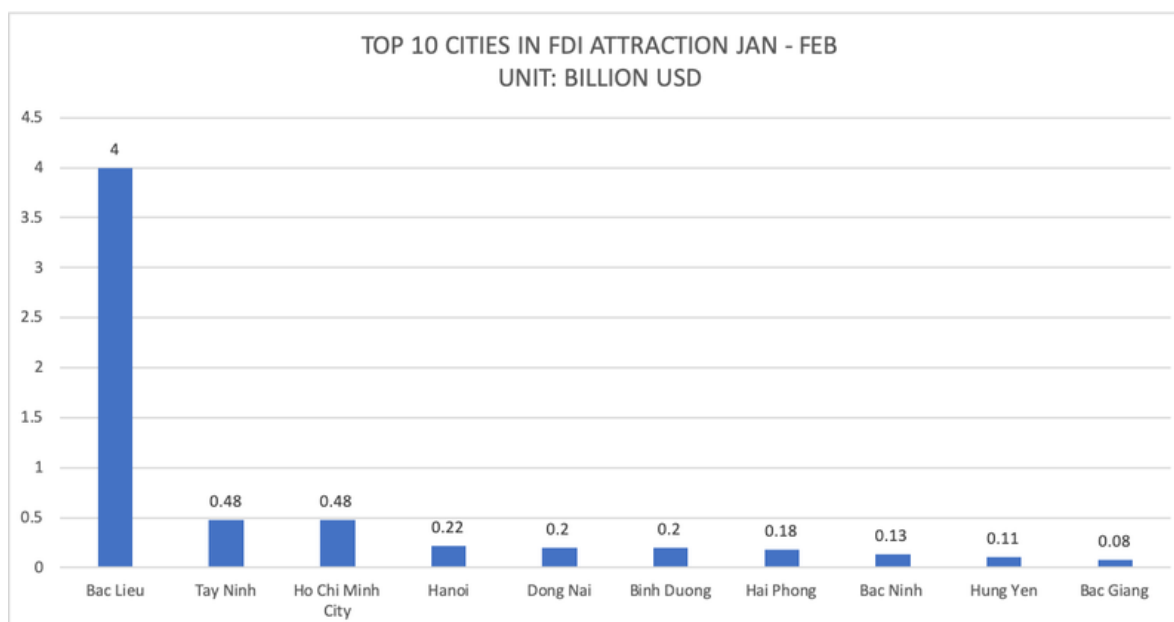
Meanwhile, FDI commitments in the January – February period totaled US\$6.47 billion, down 23.6% year-on-year.

Year to February 20, five hundred new projects have been approved with total commitments of US\$5 billion, a two-fold increase in capital year-on-year, while 151 existing projects have been

injected an additional US\$638.1 million, down 25.4% in capital.

A surge in newly registered FDI in the two-month period was thanks to the liquefied natural gas (LNG) plant project worth US\$4 billion in the southern province of Bac Lieu.

During this period, 1,583 projects have had US\$827.3 million in capital contributed by foreign investors, up 52.4% in the number of projects and down 84% in value year-on-year.



Data: FIA. Chart: Ngoc Thuy.

Investors have poured money into 18 fields and sectors, in which electricity production and supply led the pack with investment capital of US\$3.89 billion, accounting for 60.2% of total registered capital. Manufacturing and processing came second with US\$1.76 billion, or 27.3% of the total, followed by wholesale and retail with US\$195 million, science and technologies with US\$180 million.

The data shows that out of 73 countries and territories investing in Vietnam in the January – February period, Singapore took the lead with US\$4.12 billion, China came second with US\$720.4 million, while the third place belonged to South Korea with US\$425.4 million.

Among 48 cities and provinces having received FDI in the two-month period, Bac Lieu has attracted the largest portion of capital commitments with US\$4 billion. Tay Ninh came second with US\$488.3 million, followed by Ho Chi Minh City, Hanoi, Dong Nai and Binh Duong.

Besides the US\$4-billion LNG plant project financed by a Singaporean investor, some of the big-ticket projects in January – February include a tire manufacturing plant worth US\$300 million from a Chinese investor in Tay Ninh province; an injection of an addition of US\$138 million for a Chinese-invested radian tire production facility; an increase of US\$75.2 million to Japan's Sews-components Vietnam manufacturing plant for electronic and auto parts; Hong Kong's Ce Link Vietnam 2 plant worth US\$49.8 million in Bac Giang for electronic parts and products.

3. Seminar on Japanese business culture to kick off next month

The seminar, themed “Japanese Culture in Business,” is set to take place at the Huong Sen Hotel at 66-70 Dong Khoi Street in HCMC's District 1.

The event is expected to answer questions related to Japan's business culture and to find solutions to difficulties facing Vietnamese firms in making transactions with Japanese partners.

Besides this, at the seminar, the participants will be provided with a list of Japanese firms that have shown interest in the Vietnamese market so that they can seize opportunities in cooperating with Japanese partners and expanding their business to the Japanese market.

Shigenobu Kuga, director of the Chikugin Research Institute for Region Economy Co., Ltd, who has 37 years of experience in the banking sector, will be the main speaker at the seminar.

4. Vietnam to launch nine-month tourism stimulus campaign

The Vietnam Administration of Tourism (VNAT) sent an official dispatch to local tourism management agencies and travel businesses on February 25, requesting them to collaborate and register to join the campaign.

The program for the domestic market will take place between March and August, while that for international tourists is scheduled to last from April until the end of the year, with a focus on markets in Southeast Asia, India, Russia, Australia and Europe.

Besides this, VNAT and Vietnam Airlines have already signed a deal on the campaign. The national flag carrier will offer discounts of up to 50% on air tickets to tour group passengers boarding international and domestic flights.

The national tourism administration also demanded local authorities work out and offer incentives to tour companies that operate chartered flights carrying foreign tourists to Vietnam and to cruise lines and tour groups of at least 1,000 meetings, incentives, conventions and exhibitions tourists each.

Last week, organizations such as Vietnam Tourism Association and HCMC Tourism Association launched tourism stimulus alliances to restore the domestic segment by providing promotional tours and airfares.

The alliances have attracted the participation of many local airlines as well as provinces and cities across the country.

According to the tourism association of HCMC, many travel packages by road are available at prices discounted by 15%-18%, and a discount of 22% is available for tours by air. The association expected that many more tour packages discounted by 30% or more will be launched to attract tourists.

In related news, Saigontourist Group, an HCMC-based hospitality operator of over 100 hotels, resorts, restaurants and travel agencies throughout the country, also rolled out a tourism stimulus program on February 25.

As such, multiple Saigontourist subsidiaries will provide services at discounts of 10%-60% between March 1 and May 31.

5. Hundreds of U.S. firms licensed to export meat to Vietnam

A working team from the ministry led by Deputy Minister of Agriculture and Rural Development Le Quoc Doanh and 19 local firms are working in the United States until February 29.

At the first working session with representatives of the U.S. Department of Agriculture and the Office of the U.S. Trade Representative in Washington D.C. on February 24, Deputy Minister Doanh noted that Vietnam had granted export licenses to 460 U.S. meat and meat product processors and producers.

The action is expected to ease the shortage of meat, mainly pork, on the Vietnamese market.

Besides this, six American fruits, including cherries, pears, grapes, apples, blueberries and

oranges, have been approved for shipment to Vietnam. The country is considering issuing export licenses to other fruits such as grapefruits, nectarines and apricots as well.

Also, Doanh asked the Animal and Plant Health Inspection Service, under the U.S. Department of Agriculture, to allow the Hanoi Irradiation Center and Toan Phat Irradiation Company to join the irradiation program for fresh fruits exported to the United States to help local firms reduce transport costs. They are currently transporting their fruits to the southern region for irradiation.

In addition, Deputy Minister Doanh asked the U.S. Department of Agriculture to help the Vietnamese Ministry of Agriculture and Rural Development to provide training courses on catfish inspections

and methods for checking microbiological and chemical indicators in the seafood sector.

Doanh also expected the U.S. side to create more favorable conditions for Vietnamese firms to cooperate with U.S. enterprises.

The business trip to the United States is aimed at strengthening the two countries' cooperation ties, the local media reported.

U.S.-Vietnam trade relations have remained strong over the past few years. The United States exported goods worth US\$14.3 billion to Vietnam in 2019, up over 53% against the 2017 figure.

6. Tours to S. Korea's Daegu should be discontinued: VNAT

Also, tour operators should not receive visitors from other virus-stricken areas around the world, stated the Vietnam National Administration of Tourism (VNAT).

They should also inform their business partners of Vietnam's 14-day quarantine requirement for tourists coming from or transiting at Daegu in the South Korean province of Gyeongsangbuk-do as well as other affected areas.

Last week, the Foreign Affairs Ministry's Consular Department recommended that Vietnamese nationals abroad avoid visiting parts of Korea that have been hit by the flu-like virus.

Since last weekend, news of the rapidly escalating outbreak of Covid-19 in South Korea has prompted many customers to cancel their tour bookings to this nation until April, according to several travel firms.

Some companies, especially those operating tours to bring South Korean visitors to Vietnam, recorded a sharp fall in the number of customers. Meanwhile, many airlines have reduced the number of flights to the country.

Flight frequency between Vietnam and Daegu was reduced by 60% since February 23, according to data released at a meeting of the national steering committee for new coronavirus infection prevention and control. From February 25, Vietnam has not operated flights to the city of Daegu.

Last year, the number of Vietnamese tourists traveling to South Korea totaled some 550,000 arrivals. Meanwhile, Vietnam welcomed over 4.29 million visitors from South Korea, which is its second-largest source market.

Corporate News

7. Daughter of Tan Hiep Phat founder becomes largest shareholder of Yeah1

↑ 6.90%

Specifically, Phuong bought 6 million YEG stock at a price of VND50,000 (\$2.17) apiece. The volume was equal to the shareholding Yeah1's chairman Nguyen Anh Nhung Tong and CEO Dao Phuc Tri sold to a strategic partner.

The transactions took place between February 17 and 19, in three parcels (1.63 million, 1.42 million, and 3 million shares). The shares were bought for personal investment.

After the transaction, Yeah1's chairman Tong reduced his shareholding from 45.27 to 25.52 per cent. Meanwhile, CEO Dao Phuc Tri currently holds 4.78 per cent (8.3 per cent before).

Tran Uyen Phuong is also Deputy CEO of Tan Hiep Phat Group. In mid-2019, she contributed a total of VND19 trillion (\$818.37 million) to set up several businesses in the real estate industry.

Meanwhile, 2019 has been a year of struggle for Yeah1, after YouTube announced that it would terminate all Content Hosting Services Agreements (CHSA) with Yeah1 at the end of this month. The site claimed that Thailand-based SPRINGme, which Yeah1 indirectly owns 16.93 per cent in, has violated YouTube's terms of service regarding channel management activities and inappropriate content.

Yeah1 had to sell ScaleLab, a US-based company, back to its former owner to avoid the implications of the termination of the content storage agreement with YouTube. The scandal not only wreaked havoc on some of its businesses but also raised operation costs. As a result, Yeah1 reported an after-tax loss of VND370 billion (\$16 million) in 2019.

8. GTN: GTN to be put under special supervision

↓ -4.57%

According to Decision No.89/QD-SGDHCM and Announcement No.208/TB-SGDHCM dated February 25, 2020 by the Hochiminh Stock Exchange, the stock GTN of GTNFOODS Joint Stock Company will be put under special supervision status as from **March 03, 2020**.

Reason: The undistributed profit after tax of GTNFOODS Joint Stock Company until December 31, 2018 was -39.73 billion dongs. The after-tax profit of parent company in 2019 was -66.26

billion dongs and the undistributed profit after tax until December 31, 2019 was -208.7 billion dongs, according to the audited consolidated financial statements in 2019. This is the case of securities supervised according to Point b, Item 1.1, Article 23 of the Listing Regulations on the Hochiminh Stock Exchange.

OGC shares will be traded only in the afternoon session as from March 03, 2020.

9. EVE: Record date for Annual General Meeting 2020

↑ 0.49%

On February 25, 2020, the Hochiminh Stock Exchange issued Announcement No.207/TB-

SGDHCM about the record date of Everpia Joint Stock Company (stock code: EVE) as follows:

- Ex-right date: March 19, 2020
- Record date: March 20, 2020
- Purpose: to organize the 2020 Annual General Meeting of Shareholders.
- Exercise ratio: 01 share – 01 voting right
- Meeting date: April 24, 2020
- Meeting venue: Everpia Joint Stock Company – Hung Yen Branch, Tan Quang commune, Van Lam district, Hung Yen province.

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