



# VIETNAM DAILY NEWS

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## Market Analysis

### 1. Big banks, construction firms lead stock market gains

The VN-Index rose 0.7 percent to 890.61 points Tuesday, led by Vietnam's three biggest state-owned lenders and construction firms.

216 stocks rose and 127 stocks fell on the Ho Chi Minh Stock Exchange (HoSE), Vietnam's main bourse, on which the VN-Index is based.

Order-match transactions were worth VND2.92 trillion (\$125.73 million), slightly above last month's average daily trading of VND2.77 trillion (\$119.27 million) per session.

The VN30-Index for the bourse's 30 biggest market caps added 0.31 percent, with 15 tickers gaining and 8 losing.

The biggest gaining ticker this session was CTD of construction giant Cotecons, which gained 6.9 percent, its ceiling price.

It was followed by BID of BIDV and CTG of VietinBank, two of Vietnam's three biggest lenders by assets, which rose 3.9 percent and 3.7 percent respectively. VCB of Vietcombank, the third, also added 0.5 percent this session.

Other major gaining tickers included BVH of insurance corporation Bao Viet Group, up 1.8 percent, ROS of real estate developer FLC Faros, up 1.4 percent, and GAS of state-owned energy giant PetroVietnam Gas, up 1.3 percent.

Only two stocks of mid-sized banks gained in this session. MBB of Military Bank rose one percent, and VPB of private VPBank, 0.9 percent.

In the opposite direction, SBT of agricultural firm TTC Sugar topped losses with 1.4 percent. Other major losing stocks this session included those of private banks and energy firms.

EIB of mid-sized Eximbank shed 1.1 percent, STB of mid-sized Sacombank dropped one percent, while PLX of state-owned petroleum distributor Petrolimex fell one percent, and POW of Vietnam's second biggest electricity generator PetroVietnam Power lost 0.5 percent.

Meanwhile, the HNX-Index for stocks on Hanoi Stock Exchange, Vietnam's second main bourse for small and midcap stocks, surged 1.73 percent, and the UPCoM-Index for unlisted public companies edged up 0.57 percent.

Foreign investors were net sellers for the 16th consecutive session on all three bourses, with a net sell value of VND340 billion (\$14.64 million).

Selling pressure was mostly focused on HPG of leading steelmaker Hoa Phat Group, and HDB of private lender HDBank, both of which kept their opening prices this session.

## Macro & Policies

### 2. Quang Nam calling for investment in Chu Lai International Airport

Chairman Thanh has just given conclusions on the planning scheme of local transport network as well as the investment orientation and strategy of key transport works in the province in the forthcoming period.

Accordingly, in the past, the province has focused resources on constructing transport infrastructure, especially roads and waterways. The traffic network has been gradually upgraded, leveraging the approved transport development plan to 2020, with vision towards 2030.

Furthermore, Quang Nam Department of Transport was assigned to report on the actual situation of the transport network in the province and to co-ordinate with the Department of Planning and Investment and relevant localities to review their capabilities, balancing the resources, and proposing a list of key transport projects to be prioritised for investment in the public

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investment plan in 2021-2025.

Remarkably, the provincial leaders requested the early completion of the planning and pushing up calls for investment into developing Chu Lai International Airport and Chu Lai Seaport, not using state budget sources.

Chu Lai Airport is planned to become an international airport by 2030, with the capacity of five million passengers a year. However, in light of the 2030 vision of the Quang Nam Socio-economic Development Master Plan which was approved by the prime minister in 2018, the growth rate of gross regional domestic product is expected to be more than 2.5 times compared to 2020.

Regarding air transport in particular, Chu Lai International Airport will be further upgraded and expanded to gradually transform into a centre for the transshipment of goods, as well as repair and maintenance of large-sized aircraft. Therefore, it needs to study and adjust the planning of Chu Lai Airport to meet the development needs of Quang Nam province and the central region.

In addition, to ensure the connection of transport infrastructure, the Chairman of Quang Nam People's Committee requested an investment study of inter-regional transport routes, facilitating the development of dynamic urban areas and key projects in the eastern region.

### 3. HCMC exports to China up despite Covid-19

Despite the ongoing coronavirus outbreak, China still accounted for the largest proportion of HCMC's export turnover in January-February at 21.1 percent, the Ho Chi Minh City Statistical Office's (HSO) says in its latest report.

The city's second largest export market in this period was the U.S., with a turnover of \$1 billion, up 6.6 percent year-on-year and accounting for 18.5 percent of the total.

Coming in third was Japan, with \$508.1 million, up 1.5 percent and making up 9 percent.

Overall, export turnover of the city, including crude oil, rose 8.1 percent year-on-year to just over \$6 billion. Export of computers and components led this increase, surging 46.9 percent to \$2.2 billion, over one-third of the city's total export turnover.

However, export of goods from other sectors dropped double digits. For instance, textiles fell 22.2 percent; seafood, 27 percent; wood products, 17.9 percent; rice 17.9 percent and footwear, 14.9 percent.

#### 4. Danang and Quang Nam hotel employees take unpaid leave due to coronavirus

Hoi An Central Boutique Hotel, located in Hoi An City, Quang Nam Province, has 115 workers, including executives and employees. To address the steep fall in revenues and guests triggered by the virus, named SARS-CoV-2, the hotel has let its employees take annual and transfer leaves and has suspended its recruitment plan.

“We are training many current employees to support various departments at the hotel that are short of workers,” Phan Van Thuc, general director of the hotel, noted, adding that from March, each worker will take an unpaid five-day vacation per month.

“The hotel will consider increasing or lowering the unpaid days off in late March, based on its business performance,” Thuc told the Saigon Times on March 2.

Hotel Royal Hoi An-MGALLERY is also keeping a close watch on its business situation to adopt a suitable solution for human resources.

In the initial phase, the hotel will let its employees take any days off left over from last year, remarked Nguyen Truong Gia Bao, head of marketing and communications at the hotel.

“We are doing everything possible, from changing the opening time and restructuring work hours to

cutting operating costs,” Bao stressed, adding that the hotel's staff will take time off on rotation without pay.

Facing the same fate, many hotels in Danang City are weighing plans to let their staff take unpaid days off during this period of hardship.

Nguyen Duc Quynh, deputy general director of Furama Resort Danang, pointed out that the hotel is encouraging its employees to take time off and training its 800 current workers in various skills.

As the hotel does not heavily depend on Chinese and South Korean tourists, it has not been seriously affected by the fallout from the virus.

Room occupancy rates at many hotels and resorts in the city have accounted for a mere 15%-40% as tourists from China and South Korea, Vietnam's two largest source markets, are subject to travel restrictions. This low occupancy is expected to continue in the coming months, Quynh said.

“Multiple lodging facilities are contending with the hardship caused by headlines on the coronavirus outbreak, while some others are planning to shut down,” Quynh said, adding that employees at a number of travel firms, transport businesses, restaurants and spa centers are on unpaid leave. This situation is unprecedented, he added.

#### 5. Tech titans line up to seize 5G advantages

“The Hanoi facility is one of the new moves we are planning to take in Vietnam, where we expect to have more new orders for our services and products when 5G will be commercially launched,” Nam Thieu, country manager of Qualcomm in Vietnam, Laos, and Cambodia, told VIR.

Qualcomm made the move following its recent study IHS Markit, which found that by 2035, 5G technologies will enable \$13.2 trillion of global economic output and create 22 million new jobs globally. With a wide spectrum of feasible applications, 5G could bring about significant benefits for both people and economies.

To tap the growth potential, last year Qualcomm launched a second-generation 5G modem, the Snapdragon X55. To date, more than 85 commercial devices based on Snapdragon 7-series mobile platforms, more than 1,600 based on the 6-series, and more than 2,500 on 4-series platforms have been announced by global original equipment manufacturers. Together, these amount to over 4,000 designs – an impressive feat for these segments.

However, Qualcomm is not the only one in the 5G modem race, as many other technology giants such as Samsung and Huawei have joined in with

their own models, while other big players like Intel are still in the research and development (R&D) phase and will launch products later this year.

Samsung and Huawei have announced their 4G/5G multimodems, the Exynos 5100 and Balong 5000. However, integrated devices for these modems are set to be launched in 2020, promising better energy-saving solutions for hand-held devices equipped with 5G.

Similarly, Keysight Technologies, Inc., a major technology company that helps enterprises, service providers, and governments accelerate innovation to connect and secure the world, has introduced new 5G channel emulation solution PROPSIM FS16 – the latest in a long line of innovative technology introduced by the group to accelerate 5G development and commercialisation.

Keysight's projections show that advanced applications related to 5G will explode this year, using higher frequencies and smaller geometries.

For 5G device manufacturing, five leading global companies including Ericsson, Nokia, Huawei, Samsung, and ZTE have succeeded already.

ZTE Corporation has co-operated with Qualcomm to achieve a 5G-enabled 'Voice over New Radio' call, marking an industry-leading step in 5G.

Elsewhere, Ericsson has launched two new AI-powered offerings, Network Intelligence and Omni Network Channel, in its services portfolio, enabling communications service providers to secure always-on networks and deliver optimal user experiences, following the new AI-powered Energy Infrastructure Operations.

In this trend, domestic Vietnamese are also joining the game with new product launches ahead. Viettel, the largest Vietnamese telecommunications service provider, will be the sixth manufacturer of 5G devices globally. Among these six, only Viettel is both a network operator and manufacturer of network devices. Viettel aims to commercially launch 5G Microcell in June, and will commercialise it a year later.

In January, Viettel launched the first 5G call on a "Made in Vietnam" 5G device manufactured on its own gNodeB transceiver, which used both software and hardware made by the company. The device was developed in six months on the basis of the experience Viettel gained from the development of eNodeB, the 4G transceiver, and from the pre-feasibility study for 5G.

In addition to Viettel, Vietnam's VNPT has made early preparations for 5G. Initially, VNPT focused investment on R&D, strengthening co-operation with powerful technology giants globally to develop human resources, thus enabling it to take initiative and successfully join the 5G ecosystem.

According to VNPT, it is planning to manufacture 5G devices, including small cell products, to take control of this field as it did with 2G, 3G, 4G, and fixed bandwidth in the past. VNPT even plans to build a factory to mass-produce the devices.

Recently, Vingroup unit Vinsmart has set up a lab to study the manufacturing of 5G mobile phones and devices. Vingroup plans to launch the first 5G mobile phone in July, while Vinsmart has been working with Cisco and Intel on manufacturing its 5G devices, with the firm testing devices for a 5G network slated for August.

5G technology is being considered the cornerstone for new business models, new connectivity services, and the development of the IT industry, and could be the keystone infrastructure enabling the digital economy and the digital society.

Therefore, when 5G is commercially launched, the growth potential of the sci-tech market will increase by linking with other markets such as commodities, services, labour, and capital markets, and connecting Vietnamese intermediary units with global networks.

"We are familiar with ride-hailing apps such as Grab or Uber that are operating so comfortably on 4G. With 5G, ridesharing cars could one day navigate themselves without the need for a human driver," a senior official of the Ministry of Science and Technology (MoST) told VIR. "The three major differences between 4G and 5G are faster speed, higher bandwidth, and lower lag time in communications between devices and servers. 5G is expected to be nearly 100 times faster than 4G, and to have significantly more capacity – it will

make it possible to connect many, many more devices to a single network.”

According to the MoST, Vietnam will stage the commercial launch of its 5G mobile network at the same time as many of the earliest-acting countries worldwide. Stepping into this new era of tech leadership, the country will build a roadmap to remove 2G from 2022 onwards while auctioning

and granting licenses for the 2.6 GHz mobile spectrum to increase network quality and mobile service speed.

At present, several countries have announced successful commercialisation of 5G, such as South Korea, Japan, China, the United Kingdom, and the US.

## **6. Việt Nam to produce \$20 smartphones**

Minister of Information and Communications Nguyễn Mạnh Hùng said that this year would be the year of universalisation of smartphones.

This is the first time the country has had a smartphone universalisation programme through the production of Vietnamese branded smartphones to all people.

A Vietnamese smartphone will cost \$45-50 to produce. However, with support from mobile operators and application developers, a smartphone can be sold for \$20.

Speaking at a meeting of the Ministry of Information and Communications for the first quarter, Minister Nguyễn Mạnh Hùng emphasised

that this year would be the year of national digital transformation, witnessing the development of Vietnamese digital technology enterprises and cybersecurity ecosystem.

Cybersecurity products would be Made-in-Việt Nam, he said.

The Ministry of Information and Communications would take strong actions to require cross-border platforms when doing business in Việt Nam to comply with Vietnamese laws, he noted.

In particular, the minister said that the country would host the ITU Digital World 2020 for the first time in this year. This is the largest telecom event ever, with about 130-150 countries attending.



## Corporate News

### 7. VNG: BOD resolution on holding AGM 2019

↓ -2.40%

The Board resolution dated February 28, 2020, the Board of Directors of Thanh Thanh Cong Tourist Joint Stock Company approved the holding of Annual General Meeting 2019 as follows:

- Record date: April 01, 2020
- Meeting date: expected in April 27, 2020
- Meeting venue: TTC Hotel Deluxe – Airport, 315 Hoang Van Thu, ward 2, Tan Binh, Hochiminh.
- Content:

Report on the business result in 2019 and business plan in 2020;

Report on the BOD activities in 2019 and plan for 2020;

Report from the Supervisory Board in 2019 and plan for 2020;

Approving the audited financial statements in 2019;

Approving the plan for the remuneration of the BOD and Supervisory Board in 2020;

Approving the selection of the auditor for the financial statements in 2020;

Approving the plan for profit distribution in 2019;

Other issues.

### 8. PNJ: BOD resolution on share buyback

↑ 0.49%

The Board resolution dated February 27, 2020, the Board of Directors of Phu Nhuan Jewelry Joint Stock Company approved to plan the share buyback as treasury shares from employees resigned in the stock issuance under ESOP 2018. Details are as follows:

- Number of registered shares to repurchase: 39,930 shares

- Trading method: to transfer rights via the Vietnam Securities Depository (VSD)

- Purchase price: VND 20,000/share

- Time of implementation: after being approved by the State Securities Commission of Vietnam (SSC).

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