



VIETNAM DAILY NEWS

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Market Analysis

1. Shares gain narrowly as banks' growth tempts investors to sell

Vietnamese shares gained narrowly as investors took use of intra-day growth to stave off risks and foreign investors remained net sellers.

The benchmark VN-Index gained 0.44 per cent to close Thursday at 893.31 points – a slow gain compared to the peak of nearly 1.02 per cent reached during trading.

The HNX-Index on the Ha Noi Stock Exchange was up 0.88 per cent to end at 115.03 points.

The VN-Index inched down 0.14 per cent on Wednesday while the HNX-Index has grown by a total of nearly 7.9 per cent since last Thursday.

More than 343.4 million shares were traded on the two exchanges on Thursday, worth VND4.90 trillion (US\$211.4 million).

The figure included nearly 296.7 million shares, worth VND4.06 trillion, being traded in order-matching transactions.

However, market growth was slower as the early gains of financial and banking stocks tempted investors to sell, VNDirect Securities Corporation (VNDS) said in its daily report.

Shares in Vietcombank (VCB), Bank for Investment and Development of Vietnam (BID), VPBank (VPB), SSI Securities (SSI) and HCM City Securities (HCM) rose between 1.1 per cent and 3.4 per cent.

The securities and banking sector indices were up 0.8-1.9 per cent at close in comparison to their

gains of 1.5-2.8 per cent made in the morning session.

The Vietnamese market was moving along with global stocks but growth was lower than expected as selling increased in the afternoon session, VNDS said.

Global stocks markets had been fluctuating in recent days, making investors in Viet Nam lose along the way, the brokerage said.

Increased selling pressure on Thursday afternoon indicated that investors still wanted to make use of recovery waves to offload shares and minimise the risks to their portfolios, VNDS said.

Net foreign selling continued weighing on the Vietnamese market for a third week as foreign investors net-sold VND313 billion worth of local shares on the two exchanges.

The main target on Thursday was Sai Gon-Ha Noi Bank (SHB), with foreign investors selling a net value of VND304 billion.

SHB shares soared 7.5 per cent at the end of the day.

These negative developments would make it harder for the market to recover, VNDS said, adding that stocks only rallied on bargain hunting, which was unstable.

It was understandable that investors were quite cautious as they were the ones who would suffer from the risks and threats, the company said.

Macro & Policies

2. HCMC urges disbursement of ODA loans for key projects

Among the nine projects under construction, eight are investment projects, including four major projects, while the other project is for technical support, the HCMC government office said on March 4. Most of them have fallen far behind schedule.

Metro line No. 1 linking Ben Thanh Market in District 1 and Suoi Tien Theme Park in District 9 is 62.3% complete, while a mere 3.8% of the second metro line, which connects Ben Thanh Market and Tham Luong Depot in District 12, has been completed.

The second phase of the water environment rehabilitation project in the Tau Hu-Ben Nghe-Kenh Doi-Kenh Te canal basin is 65.6% complete, while progress on the city's second environmental sanitation project has reached 43.5%.

As the Tet holiday fell in January, construction and capital disbursement for these ODA projects were affected, Sai Gon Giai Phong news site reported.

Apart from the proposal for ODA disbursement, the municipal government also proposed continuing to mobilize ODA and preferential loans for its other large-scale infrastructure, transportation and environment projects.

These projects include the water drainage rehabilitation project for Tham Luong-Ben Cat-Nuoc Len Canal, a project to upgrade sewage systems in the west of the city and the metro line No. 3A project from Ben Thanh Market to Mien Tay Coach Station.

3. Vietnam operates 24,300 rooftop solar power projects

As many as 24,300 rooftop solar power projects with a total capacity of 465.8 MWp have been installed and put into operation by early March, according to the Electricity of Vietnam (EVN).

The group said its National Load Dispatch Centre (NLDC) mobilized 1.8 kWh of electricity from renewable energy projects in the first two months of 2020, accounting for nearly 5 percent of the total power production.

Experts said with Vietnam's big potential to develop rooftop solar systems, the number of rooftop solar projects in Vietnam is likely to be 5 times higher than the current figure.

Statistics from the NLDC show that the total electricity consumption in the last two months was 36.2 billion kWh.

Meanwhile, the load capacity in the period reached 35,000MW; and the average daily electricity consumption was 615 million kWh, up 7.5 percent against the same period of 2019.

However, the hydroelectricity output in the first two months was only 3.37 billion kWh, 2.19 billion kWh lower than the set plan.

Experts said coal and gas thermal power plants play an extremely important role in ensuring electricity supply in the dry season and the whole 2020 as well in the context that the water levels in hydropower reservoirs are much lower than those planned./.

4. EVFTA – important solution to achieve growth targets: minister

The EU-Vietnam Free Trade Agreement (EVFTA) is a new stride in the country's integration process

and also an important solution to achieve growth targets of the industry and trade sector amid adverse developments in the global environment.

Minister of Industry and Trade Tran Tuan Anh made the remark at a meeting in Hanoi on March 4 that discussed preparations for the EVFTA implementation as this deal is expected to take effect this July.

He stressed that to reap good implementation results, organisations and agencies of the whole political system, especially the industry and trade sector, need to engage in the work.

Luong Hoang Thai, Director of the ministry's Multilateral Trade Policy Department, said the EU will finish relevant procedures at the European Council on March 12 and be ready for the agreement enforcement. As it had actively drafted documents for the implementation before the EVFTA was submitted to the European Parliament, the agreement could be carried out immediately.

Meanwhile, Vietnam has also completed much work in this regard, he noted, adding that the Ministry of Industry and Trade (MoIT) has

submitted a dossier on the EVFTA ratification to the Government, and the Government's Office has asked the Ministry of Justice to coordinate with other ministries and sectors to consider legal documents that need to be issued or amended to implement the EVFTA.

Thai said to accelerate the ratification, the MoIT should step up working with the Government's Office, the President's Office and the National Assembly's Committee for External Relations to finish the dossier seeking ratification and serve legislators' verification of the EVFTA and adoption consideration.

The EVFTA, along with the EU-Vietnam Investment Protection Agreement, was ratified by the European Parliament on February 12.

The two documents were signed in Hanoi on June 30 last year, featuring intensive, extensive and comprehensive commitments covering economy, trade, investment and sustainable development issues.

The EVFTA, in particular, is hoped to create a major push for Vietnam's exports and help diversify the country's export markets./.

5. Overlapped regulations key issue to SOE performances: State capital commission

According to vice chairwoman Nguyen Thi Phu Ha, the commission was responsible for managing State capital at 19 large-cap SOEs.

Among the 19 are the National Oil and Gas Group (PetroVietnam), the Vietnam National Petroleum Group (Petrolimex), the Vietnam Rubber Group (VRG), Vietnam Electricity (EVN) and the Vietnam National Railway Corporation (VNR).

Under Decree 131/2018/ND-CP issued by the Government in late September 2018, the business conditions at the SOEs should remain unchanged after they were handed over to the commission.

But there were still problems, Ha said at a Government meeting on Tuesday.

Minutes from the ministries that used to manage the State capital at the 19 SOEs showed the

companies had not accomplished nearly 260 tasks, she said.

These tasks had been assigned and were supposed to be completed before the SOEs were moved to the commission, she said.

Some projects were still facing problems after 10-20 years, she added.

"Some projects are not in line with existing policies, and management units have been asked for clarification," she told the meeting.

"The SOEs must ensure State capital is preserved and used efficiently. If not, they are required to report to the commission," Ha said.

Regulatory overlapping had made it difficult for the SOEs to either operate by themselves or ask

for State funding, according to the vice chairwoman.

VNR is among the companies that has had problems with business operations. The company has asked the commission to hand back control to the Ministry of Transport.

Before the commission took charge of the State capital in VNR, the Government had funded the company through the Ministry of Transport. After two years, the ministry is still in charge of providing operating capital for the company and

manages railway assets, even though the company is now managed by the commission.

That means if VNR was to operate independently, the Government needed to amend several policies on procurement, railway operation and public asset management, according to VNR chairman Vu Anh Minh.

Vice Chairwoman Ha said the Prime Minister had asked the transport ministry and the commission to work together to find a solution for the case.

6. All Vietnamese airlines suspend flights to South Korea

From March 7, no Vietnamese airlines would operate flights from and to South Korea as Vietjet Air has been the last local carrier to suspend all flights to and from the coronavirus-hit country.

In a statement, Vietjet Air said it has been coordinating closely with authorities and airports to implement the operation processes in accordance with all global standards and recommendations from the International Air Transport Association (IATA), the World Health Organization (WHO) and other aviation authorities in order to control the disease, ensure the highest safety for passengers, flight crews and aircraft.

Before the epidemic, Vietjet Air operated the largest number of flight routes from Vietnam to South Korea with frequency of 480 flights per month on 11 direct flight routes.

Previously, Bamboo Airways was the first airline in Vietnam to suspend flights between Vietnam and South Korea since February 26. Flag carrier Vietnam Airlines followed suit by cancelling all flights to South Korea from March 5.

From the South Korean side, Korean Air said it has temporarily cancelled a number of flights from Incheon and Busan airports to Vietnam's

destinations such as Ho Chi Minh City, Hanoi, Da Nang, Nha Trang and Phu Quoc in March and April.

Asiana Airlines has also stopped flights from Incheon to Hanoi, Da Nang and Nha Trang to mid-March.

However, both are still operating flights from Incheon to Da Nang and Phu Quoc with a combined five flights per week.

Since March 1, the Civil Aviation Authority of Vietnam (CAAV) has ordered Noi Bai and Tan Son Nhat airports to stop receiving flights from South Korea. Planes from South Korea are redirected to land in three designated airports of Van Don, Phu Cat and Can Tho.

The Vietnamese authority has halted issuing visas for South Korean citizens from February 29.

To date, the Vietnamese authority has not considered suspending flights between the two countries, so the decision to stop flights to South Korea was based on the airlines' own consideration.

So far, the CAAV has only requested local airlines stop flights to mainland China.

Corporate News

7. CSV: Holding AGM 2020

↓ -0.24%

South Basic Chemicals Joint Stock Company announces the holding of Annual General Meeting 2020 as follows:

- Meeting time: 08:00AM, Thursday, April 23, 2020

- Meeting venue: New World Hotel, 76 Le Lai, Ben Thanh Ward, district 1, Hochiminh.

8. POW: Board approves the adjustment of agreement with PVGas

↑ 2.41%

On February 27, 2020, the Board of Directors of PetroVietnam Gas Joint Stock Corporation (PV Power) issued Resolution No.25/NQ-DLDK approving the adjustment of gas supply for Nhon

Trach 1 Power Plant in 2020 in the gas purchase and sale agreement between PV Power and PetroVietnam Gas Joint Stock Corporation (PVGas).

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