



VIETNAM DAILY NEWS

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Market Analysis

1. VN-Index slides as foreign selling outclasses cheap purchases

Vietnamese shares slid on Tuesday as strong foreign selling trumped investors' bargain-hunting efforts.

The benchmark VN-Index on the Ho Chi Minh Stock Exchange (HoSE) fell 0.28 per cent to end at 745.78 points.

The VN-Index has tumbled a total of 24.8 per cent over the last six weeks to hit its lowest level since June 2017.

The HNX-Index on the Ha Noi Stock Exchange gained 1.1 per cent to close at 100.72 points.

The northern market index had decreased by a total of 13.4 per cent in the previous seven trading days starting March 6.

The market suffered a big drop in the early period of the day as market sentiment was hurt by a collapse of the US stocks and the downtrend of Asian shares.

But increased purchases for stocks at cheap prices helped boost the two indices during the day, according to MB Securities Co.

The VN-Index before lost as much as 3.48 per cent early in the day, but then climbed 3.9 per cent.

The benchmark only declined in the last-minutes as foreign investors offloaded local assets. Net foreign selling on HoSE rose 46 per cent day-on-day to nearly VND560 billion.

On the two exchanges, foreign investors net-sold a total of nearly VND600 billion.

Banking and brokerage stocks reversed to positive territory after sinking in the morning session, as the two sector indices rose 1.6 per cent and 5.2 per cent respectively.

The best gainers in the two sectors included Bank for Investment and Development of Vietnam (BID), Techcombank (TCB), TPBank (TPB), HCM

City Securities (HCM), Sai Gon-Ha Noi Securities (SHS) and SSI Securities (SSI).

Other sectors that also saw their stocks advance were retail, energy and mining, technology, and plastics and chemicals.

On the other hand, real estate, agriculture, healthcare and pharmaceuticals, and food and beverage industries weighed on market sentiment.

In those sectors, Vingroup (VIC) tumbled 4.2 per cent, brewer Sabeco (SAB) plunged 5.9 per cent, Vincom Retail (VRE) plummeted 6.8 per cent and Vinhomes (VHM) was down 2.7 per cent.

"The market became more balanced as the VN-Index narrowed some of its losses and several large-caps recovered," Thanh Cong Securities Co (TCSC) said in its daily report.

"What happened on Tuesday can provide momentum tomorrow as liquidity remained high to counter strong selling caused by foreign investors," MBS said.

In the short term, the market would still struggle with poor confidence on worries about the spread of the coronavirus pandemic and its impact on global economic growth, TCSC said.

Rubber group debuts

The Vietnam Rubber Group (VRG) started listing 4 billion shares on HoSE on Tuesday with code GVR.

The debut price was VND11,570 per share and the company's shares may move within a margin of 20 per cent on either side.

The rubber group's shares declined by 3.2 per cent to end Tuesday at VND11,200 apiece.

VRG was equitised in 2018 and began trading its shares on the Unlisted Public Company Market (UPCoM) on March 21, 2018.

In 2017-18, the company earned total revenues of VND22.4 trillion and 23 trillion. Post-tax profits were VND3.93 trillion and VND3.33 trillion, respectively.

In the first nine months of 2019, the group recorded total revenue of VND14.78 trillion and post-tax profit at VND2.3 trillion.

VRG targets its total revenue and post-tax profit to rise to VND24.65 trillion and VND4.03 trillion in 2020.

Macro & Policies

2. Public capital disbursement improves in first two months

Almost 34.75 trillion VND (1.49 billion USD) of public investment capital was disbursed in the first two months of 2020, equivalent to 7.38 percent of the year's plan and nearly doubling the value and progress in the same period last year.

More than 33.62 trillion VND of domestic capital and 1.12 trillion VND of foreign capital was disbursed in January and February 2020, Deputy Director of the Finance Ministry's Department of Investment Le Tuan Anh said on March 17.

The disbursed sum in the same period of 2019 accounted for only 4.52 percent of the year's target.

In particular, ministries and central agencies disbursed over 5.89 trillion VND and localities, nearly 28.86 trillion VND so far this year, respectively equivalent to 5.46 percent and 7.96 percent of the targets set for them. The respective rates in the same period last year were only about 1.21 percent and 5 percent.

Outstanding performers in this work include the Vietnam Development Bank (31 percent), the

Vietnam Farmers' Union (13 percent), the Ministry of National Defence (14.4 percent), the Ministry of Health (11 percent), the Government Inspectorate (10 percent), along with the provinces of Ninh Binh (38 percent), Nam Dinh (24 percent), Lang Son (23 percent), Kon Tum (14 percent), and Lao Cai (13 percent).

Anh said although the capital disbursement progress so far this year fared much better than in the same period of 2019, it remained lower than expected since most of ministries, sectors and localities still focused on dealing with the capital they didn't finish disbursing in 2019.

He attributed the improved progress partly to their early making of capital allocation plans and the revised Law on Public Investment, taking effect at the beginning of 2020, which empowers ministries, central agencies and localities to verify capital sources and capital balancing ability.

A national teleconference is scheduled to take place in late April to seek ways to accelerate the disbursement of public investment capital for this year, the official added./.

3. Pork imports up more than 200 per cent

Pork imports aimed to make up for the shortage in supply and cool off skyrocketing pork prices which were caused by the African swine fever.

Pork was mainly imported from Canada (29 per cent), Germany (19 per cent), Poland (12 per cent), Brazil (12 per cent) and the US (5.5 per cent).

Recently, Prime Minister Nguyễn Xuân Phúc asked the agriculture ministry and relevant agencies to implement measures to lower pork prices.

Minister of Agriculture and Rural Development Nguyễn Xuân Cường asked big husbandry companies to reduce live hog price to VNĐ70,000 (US\$3).

Pork prices were on a downward trend but remained at high levels in some northern provinces like Hưng Yên, Lào Cai and Phú Thọ, with live hog price at around VNĐ83,000 per kilo for live hog.

If the pork prices were not lowered to the expected levels, Việt Nam would increase imports in an effort to cool off the prices, Deputy Minister of Agriculture and Rural Development Phùng Đức Tiến said.

Russian food supplier Miratorg was expected to export the first batch of pork to Việt Nam at the end of this month.

Việt Nam was strengthening pig reproduction with the focus on ensuring biosafety standards. As

a result, pork supply was expected to start to increase from this month.

The Animal Health Department also urged the Ministry of Industry and Trade and relevant agencies to provide support to Vietnamese firms in seeking sources to import pork in the context of the novel coronavirus outbreak which was hindering cross-border trade.

The ministry cited statistics that the global herd of pigs totalled 678 million in January, 12 per cent lower than the same month of 2019.

From the beginning of this year, Việt Nam also increased imports of buffalo meat (with 19,356 tonnes, up by 128 per cent), beef (14,160 tonnes, up 217 per cent) and poultry meat (48,300 tonnes, up by 86 per cent).

4. Banks, insurers and firms work together to protect the community

Since March 16, state-owned Bảo Việt Insurance Firm provided financial support of VNĐ20 million (US\$860) for each SARS-CoV-2 positive case for the first one million Vietnamese citizens between aged 18 and 70 years old.

The insurance beneficiaries are people who are at least residing in Việt Nam for twelve months with truthful medical declarations, complying with the Government's regulations on pandemic prevention and quarantined methods and not infected with SARS-CoV-2 virus at the time they registered for the insurance.

The protection period was one month from the date of registration and time of registration was from March 16 to April 15.

The protection programme will be effective for those who test positive for SARS-CoV-2 by a medical facility. The firm will pay the financial support via Baoviet Pay e-wallet.

Together with Bảo Việt, Sài Gòn – Hà Nội Bank (SHB) started giving its individual customers who borrow or deposit at the bank nationwide the

"nCoV Shield Insurance" package from March 16 until May 31, 2020.

Those customers who borrow or deposit from VNĐ500 million at least a year or from VNĐ1 billion in at least six months will be given an insurance package with benefits up to VNĐ100 million. The package will also provide beneficiaries with VNĐ100,000 each day in case of in-patient treatment.

In HCM City, Minh Bảo Tín Investment Joint Stock Corporation, a private firm in the fashion industry also signed deals with the insurer firm of Military Insurance Joint Stock Company on March 16 for thousands of insurance packages which will be donated to the firm's consumers and staff in more than 100 stores of Biluxury men's fashion nationwide.

On the morning of March 17, 14 local banks awarded VNĐ120 billion to support the local prevention of COVID-19 and to help people suffering from drought and saline intrusion across Việt Nam.

5. Seasonal and COVID-19 woes strike at country's revenue collection

A Ministry of Finance (MoF) report has stated that Vietnam's total two-month budgetary revenue sat at VND276.7 trillion (\$12 billion), up 9.3 per cent on-year, with budgetary revenue from domestic activities up 12.8 per cent on-year. However, revenue from export-import activities reduced by 15.7 per cent on-year to about VND48.2 trillion (\$2.1 billion).

Meanwhile, the General Department of Vietnam Customs also reported last week that in the first two months of this year, customs agencies nationwide collected VND1.308 trillion (\$56.87 million) daily from export-import activities, down from the VND1.458 trillion (\$63.4 million) in the same period last year.

The Lunar New Year holiday and especially the negative impacts of the COVID-19 pandemic were cited as the key reason, which has slashed enterprises' activities in production, imports, and exports.

For example, Vietnam's total export and import turnover with China has decelerated, with an on-year increase of only 2.4 per cent, far lower than 5 per cent reported in the same period last year.

In 2019, China held 15.75 per cent of Vietnam's total goods export value and 29.7 per cent of import value.

In the first two months of 2020, the total import turnover of major contributors to budgetary revenue suffered large constrictions on-year, such as fossil coal (down 14.6 per cent), assorted cloth (10.5 per cent), assorted steel (18.5 per cent), complete built-up vehicles (57 per cent), assorted fibre (13 per cent), garment and footwear materials (11 per cent), and machinery and equipment (3.7 per cent).

"The reduction in the imports of these products has led to a decline in budgetary revenue," stated the MoF report.

For instance, since early this year, Huynh Nhu Garments and Textiles JSC in the northern province of Bac Giang has not imported any containers of raw materials from China, which usually meet 70 per cent of the firm's total material needs, with the remainder being purchased from Vietnam and other markets such as India, Southeast Asia, and South Korea.

"It is hard to boost imports from these markets as the current health crisis is causing a decline in

garments and textile production in these nations," said Pham Nhu Binh, sales manager of the company's marketing division.

Elsewhere, the Vietnam Automobile Manufacturers Association last week reported that total automobile industry sales in the first two months of 2020 were down 27 per cent on-year, with passenger cars down 30 per cent and commercial vehicles by 17 per cent, while special-purpose vehicles went up 9 per cent.

The majority of components for the industry are imported as the local supporting industries are not fully in place yet.

A number of auto brands suffered from shrinking sales in February, such as Mercedes-Benz (100 per cent on-year), Honda (13 per cent on-year and 27 per cent on-month), THACO buses (26 per cent on-year and 74 per cent on-month), Peugeot (36 per cent on-year and 12 per cent on-month), and Ford (21 per cent on-year and 1 per cent on-month).

The General Statistics Office reported that in the first two months of 2020, the novel coronavirus had depressed the local production, with the index for industrial production only expanding by 6.2 per cent on-year, far lower than the 9.2 per cent on-year rise in the same period of last year.

The whole economy's total export turnover hit \$36.92 billion, up only 2.4 per cent on-year – 3.6 per cent lower than the climb in 2019's corresponding period.

Meanwhile, total import turnover reached \$37.1 billion, also up 2.4 per cent on-year – far lower than the 7.5 per cent on-year ascension last year.

6. Firms impacted by COVID-19 to be exempted from social insurance

The Ministry of Labour-Invalids and Social Affairs has issued a document to guide Vietnam Social Insurance on the conditions for this exemption. Accordingly, the general director of Vietnam Social Insurance asked social insurance divisions in cities and provinces to guide companies where at least 50 per cent of staff members lost their jobs to complete procedures to suspend payments to

the retirement and death funds. The postponement will last by the end of June.

This suspended payments will also be exempt from interest.

In case the epidemic is not brought under control by the end of June, impacted companies will be able to apply for an extension of the exemption.

The roadmap for compulsory social insurance payment for foreign employees is clearly outlined by Decree 143. Since the effective date of Decree 143, that is, December 1, 2018, enterprises will pay for two items, including 3 per cent of the salary (for social insurance) to the sickness and maternity fund and 0.5 per cent to the labour accident and occupational disease insurance fund.

From January 1, 2022 onwards, enterprises and foreign employees will pay another 14 and 8 per cent, respectively, to the death gratuity and retirement funds.

Previously, the prime minister ordered tax authorities to reschedule tax payments to support businesses affected by COVID-19.

Corporate News

7. NVL: Notice of cancellation of record date

↓ -0.19%

Hochiminh Stock Exchange announces the cancellation of record date of No Va Land Investment Group Corporation as follows:

- Listed firm: No Va Land Investment Group Corporation
- Stock code: NVL
- Stock type: common stock
- Par value: VND10,000

- Record date: March 12, 2020

- Details: Cancelling the record date for balloting shareholders in writing according to Announcement No.220/TB-SGDHCM dated February 26, 2020.

- Reason: The Company decided to submit the contents which need to be voted in writing to the 2020 Annual General Meeting on April 27, 2020.

8. PLX: BOD resolution on planning the dividend payment for 2019

↑ 6.93%

The Board resolution dated March 16, 2020, the Board of Directors of Viet Nam National Petroleum Group approved the plan to pay cash dividend for 2019 as follows:

1. Approving to pay first cash dividend for 2019:

- Exercise ratio: 20% (2,000 dongs/share)

- Record date: March 31, 2020

- Payment date: April 27, 2020.

2. Approving to pay remaining cash dividend for 2019 with 10% (1,000 dongs/share). The company will pay the remaining dividend to shareholders after the ending time of the General Meeting of Shareholders.

Research Team: Tsugami Shoji Researcher jsi@japan-sec.vn

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Japan Securities Incorporated – JSI

Address: 14F, TNR Tower, 54A Nguyen Chi Thanh, Lang Thuong, Dong Da, Hanoi

Tel: (024) 3791 1818

Fax: (024) 3791 5805

Email: info@japan-sec.vn

Website: www.japan-sec.vn