



VIETNAM DAILY NEWS

March 20th, 2020



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Market Analysis

1. VN-Index sinks into the red again

The VN-Index plunged 2.91 percent to 725.94 points Thursday, continuing its downturn after registering a small gaining session Wednesday.

The Ho Chi Minh Stock Exchange (HoSE), Vietnam's main bourse on which the VN-Index is based, was a sea of red with 313 stocks losing and 69 gaining. Total trading volume fell slightly over the previous session to VND4.22 trillion (\$179.4 million), with order-matched transactions accounting for 77.46 percent.

The VN-Index nudged up slightly before plunging as low as 717 points in the morning session, but climbed back to nearly 723 points by the end of the afternoon.

The VN30-Index for the market's 30 biggest capped stocks also plummeted 3.01 percent, with an overwhelming 27 stocks losing and only one gaining. Over half of the stocks in this basket dropped more than 3 percent.

Losses were led by two beverage firms. SAB of Vietnam's biggest brewery Sabeco lost 6.6 percent, while VNM of dairy giant Vinamilk shed 6.3 percent. They were followed by PNJ of jewelry retailer Phu Nhuan Jewelry, down 5.2 percent, and BVH of insurance giant Bao Viet Group, 4.9 percent.

Tickers of state-owned oil and gas firms were among the bigger losers. PLX of petroleum distributor Petrolimex lost 4.8 percent, followed by GAS of energy firm PetroVietnam Gas, 4.7 percent, and POW of electricity generator PetroVietnam Power, 3.3 percent.

Three percent plus losses were also registered by Vietnam's three biggest state-owned banks, VCB of Vietcombank, CTG of VietinBank and BID of BIDV. All private bank stocks also lost this session, the biggest ones being EIB of Eximbank, down 4.3 percent, and TCB of Techcombank, down 3.9 percent.

VIC of private conglomerate Vingroup, and VHM of its real estate arm, HoSE's two biggest market caps, were at the lower end of the losing spectrum this session, falling 0.3 percent and 1.4 percent respectively. VRE of Vingroup's retail arm, Vincom Retail, shed 0.9 percent.

NVL of real estate developer Novaland and SSI of brokerage Saigon Securities Inc. were two stocks that kept their opening prices, while ROS of real estate developer FLC Faros bucked the VN30 trend by surging 6.8 percent to its ceiling price, although it has been by far the most volatile blue chip on the basket, regularly hitting floor or ceiling prices in over half of sessions in the past month.

Meanwhile, the HNX-Index for stocks on the Hanoi Stock Exchange, Vietnam's second main bourse for small and midcap stocks, fell 0.83 percent, and the UPCoM-Index for unlisted public companies shed 0.93 percent.

Foreign investors were net sellers for the 28th consecutive session to the tune of VND513 billion (\$21.81 million) on all three bourses, with selling pressure focused on MSN of food conglomerate Masan Group, which fell 0.4 percent, and HPG of leading steelmaker Hoa Phat Group, down 2.8 percent.

In order to support businesses during the Covid-19 pandemic, the Finance Ministry Wednesday ordered Vietnam's bourses and financial institutions to give discounts of between 10-50 percent for certain services related to derivatives trading, and has made a few other services free, including the application to list on the bourses.

The discounts and fee exemptions will last for over five months, until August 31, 2020, but could be extended if the Covid-19 situation does not ease, the ministry said.

Macro & Policies

2. Vietnam's car market cools on Covid-19

The Vietnam Automobile Manufacturers' Association (VAMA) reported a 27 percent decrease in the total number of cars sold in the last two months. The sales of cars with less than 9 seats saw the sharp decline, 30 percent, compared with the same period last year.

Automobile manufacturers have seen the number of cars sold decreasing by 13,200 because the demand has decreased during Covid-19.

As for the cars with less than 9 seats, 25,000 products were sold in the last two months, a decrease of 11,200 products compared with the same period last year.

The number of cars imported by Vietnam in the first two months of the year decreased by tens of thousand of products because of Covid-19. Of these, the number of cars from Thailand and Indonesia decreased by 9,800. Some models from the two markets saw a sharp 60 percent decrease.

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There were 8,000 products from Thailand (-8,400), and 5,100 products from Indonesia (-1,400).

According to the General Department of Customs (GDC), 14,450 cars arrived in Vietnam in the first two months of the year, or 11,175 products lower than the same period last year. This included 10,600 cars with less than 9 seats, a decrease of 7,154 products.

The sharp sales fall was seen in most product lines. As for sedans, the key product line, only 12,200 products were sold, a decrease of 1,600.

Toyota Vios remains the best seller with 4,000 cars sold, followed by Accent of Hyundai Thanh Cong (2,900), Hyundai i10 (2,700) and Mitsubishi Xpander (2,200).

In addition to the three models, some others also saw good sales (more than 1,000 products sold), namely SantaFe and Tucson of Hyundai, Cerato and Soluto of Kia.

Meanwhile, many manufacturers and car importers reported unsatisfactory sales in the last two months.

Only 930 Honda CRV imported from Thailand were sold, a decrease of 2,800 products. 211 Rangers were sold, a decrease of 1,900.

The third model with unsatisfactory sales was Mazda CX5, a domestically assembled model, with just 800 products sold, decreasing by 2,000 products.

In early March 2020, a series of models which are the key products bringing highest turnover to manufacturers, such as Toyota Fortuner, Honda CRV, Ford Everest and Explorer began decreasing in prices. The decreases were between VND30 million and VND270 million.

The car market is the favorite of small-size MPVs which are fashionable, reasonable in price and multi-purposed.

Xpander of Mitsubishi is leading the market segment with 20,000 products sold in 2019, followed by Innova of Toyota with 12,000 cars sold and Mazda CX5 with 10,200.

3. VN runs nearly US\$ 1 billion trade surplus in first half of March amid COVID-19 pandemic

In the reviewed period, total trade touched over US\$ 21.47 billion including US\$ 11.2 billion of export turnover and US\$ 10.3 billion of import value.

By March 15, total export turnover hit US\$ 50.3 billion, representing a year-on-year increase of 7%, equivalent to over US\$ 3 billion. Meanwhile, import turnover reached over US\$ 47.55 billion, up nearly 1.9%, equivalent to US\$ 900 million in comparison with the same period last year.

As of mid March, the country enjoyed a trade surplus of more than US\$ 2.74 billion, said the agency.

Mobiles and spare parts were top exports in Jan-March period with over US\$ 10.2 billion, up 8.5% against the same period last year.

Meanwhile, import turnover of electronics and spare parts rose by 15% against the same period last year to US\$ 11.03 billion.

The Ministry of Industry and Trade forecast that in short term, Viet Nam's trade activities would encounter difficulties due to negative impacts of COVID-19 outside China, especially in the RoK and Japan which are leading trade partners of Viet Nam.

Prolonged pandemic would enormously affect Viet Nam's export goal in 2020, according to the ministry.

4. US becomes largest importer of VN's tra fish in February

Although tra fish exports to most markets last month fell sharply from the same period last year, shipments to the US reached US\$18.1 million, accounting for 17.8% of the total.

China's imports of tra fish from Viet Nam have plunged 50% due to Covid-19.

VASEP predicted further growth in the export of this commodity to the North American market despite the COVID-19 pandemic's impact on the trading of aquatic products.

Meanwhile, exporters will also have great chances in the EU as the EU-Vietnam Free Trade Agreement (EFVTA), recently ratified by the European Parliament and waiting for the Vietnamese National Assembly's adoption, will slash tariffs on tra fish imports to the market to 0% in the next three years.

However, experts still recommended farmers actively reduce this year's tra fish output by 10% from 2019 to 1.2 million tons.

Data from VASEP showed that Viet Nam gained US\$2 billion from tra fish exports in 2019, down 11.7% year on year. The decline was attributable to difficulties in exports to traditional markets and plunging export prices.

The US imposed antidumping tax on tra fish, and its final decision approving the quality compatibility of Vietnamese tra fish was made later than expected, stated VASEP.

Specifically, Viet Nam's export value for tra fish to the United States maintained a downward trend for 11 consecutive months in 2019 compared with exports in 2018.

Later, the U.S. Department of Agriculture officially approved the compatibility of Vietnamese tra fish standards with its own late last year. This allowed Vietnamese tra fish to be shipped to more overseas markets.

5. Firms resolute in business goals despite COVID-19 impacts

TNG Investment and Trading JSC based in the northeastern province of Thai Nguyen notified that despite the implications of the novel coronavirus, the company still reaped nearly VND560 billion (\$24.35 million) in revenue in the first two months of this year, up 4 per cent on-year.

According to TNG chairman Nguyen Van Thoi, until present, the company has secured a stable order intake for 2020. For instance, its long-time customers like Decathlon from France rose import volume by 29 per cent against 2019, while Sportmaster from Russia also tripled its order value from TNG to \$15-20 million, equal to the output capacity of an entire factory.

So far this year, TNG counted around VND4.9 trillion (\$213 million) in total revenue, up 10 per cent on-year.

PetroVietnam Ca Mau Fertilizer JSC (ticker code DCM) has just announced reaching 20 per cent of its full-year urea fertiliser production plan, far exceeding its profit target for the first two months.

Particularly, DCM produced 157,000 tonnes of urea fertiliser in the first two months of this year and earned VND34.7 billion (\$1.5 million) in profit, equal to 69 per cent of the annual profit plan.

The current drop in oil price is a positive factor helping to drive down material input costs.

The optimism firms attested through their growth plans show that many firms have made thoughtful preparations to weather current stormy period.

DCM has recently set out its full-year business plan with the revenue target of VND7.956 trillion (\$345.9 million), up VND1 trillion (\$43.5 million) compared to 2019. However, the company has set its after-tax profit target at VND50.4 billion (\$2.2 million), down 88 per cent against last year based on the scenario of oil hitting \$60 per barrel. The global oil price was in fact \$26.95 per barrel at the end of the trading session on March 17, the lowest

since February 2016, according to Dow Jones Market Index.

At the same time, Vinacomin Minerals Holding Corporation (KSV), envisages achieving VND6.588 trillion (\$286.4 million) in revenue, up 6 per cent on-year, according to the company's prospectus.

Its pre-tax profit, however, is set to escalate by nearly 11-fold on-year to VND163 billion (\$7.1 million).

"Despite the difficulties this year associated with site clearance work for our projects and particularly the COVID-19 outbreak, many positive factors are on the horizon. For instance, the mineral price is on an upward trend, our production plants are in stable production, and borrowing costs are being softened which will shore up are sharply raised profit target," said a company executive.

With a more prudent approach, Ho Chi Minh City Infrastructure Investment JSC (CII) has worked out two growth scenarios for 2020.

CII expects a more upbeat business picture this year as the city's management has committed to pushing up with key projects. The impediments, however, are related to dealing with legal procedures of real estate projects and removing bottlenecks ahead of transport infrastructure.

Accordingly, in its most optimistic forecast, CII has set revenue and after-tax profit targets at VND6.6 trillion (\$287 million) and VND1.608 trillion (\$69.9 million), up 61 and 68 per cent on-year, respectively.

In the second, less positive scenario, the company estimates after-tax profit going down slightly (by 16 per cent) to VND808 billion (\$35.13 million), but revenue would still jump by 42 per cent to VND5.8 trillion (\$252.17 million). The dividend rate is proposed at 16 per cent.

COVID-19 is having remarkable impacts on economic development, as well as firms' performance, however, their growth performance

and plans ahead show that many firms have made careful preparations to weather the stormy

period.

6. Bac Giang looks to attract 1 billion USD of investment in 2020

The northern province of Bac Giang is striving to attract 1 billion USD of new and additional investment capital to both FDI and domestically invested projects in 2020, said Director of the provincial Department of Planning and Investment Trinh Huu Thang.

In terms of industry, the province prioritises attracting investment to the Quang Chau and Hoa Phu industrial parks, along with industrial clusters in Bac Giang city and the districts of Viet Yen, Yen Dung, Luc Nam, Lang Giang, Tan Yen and Hiep Hoa.

It is calling for more projects in mechanics, manufacturing, electronics, electricity production, agro-forestry-food processing, textile-garment, and support industries, the official noted.

In the field of energy, Bac Giang is offering incentives for investors in thermal power plants in Luc Nam and Son Dong districts, clean and renewable energy projects in Yen The and Son Dong districts, and solar power projects in the Quang Chau and Hoa Phu industrial parks.

It is working to promote investment in the development of urban areas, trading centres, high-end hotels, entertainment services, and financial, health care and insurance services in Bac Giang city; as well as resort projects in Lang Giang, Luc Ngan and Luc Nam districts, which boast advantages in this regard.

Meanwhile, the province is also inviting investment to tourist sites such as the Suoi Mo tourism area in Luc Nam; the ecological and resort tourism areas of Cam Son and Khuon Than lakes in Luc Ngan; the entertainment, resort and spiritual tourism area on Nham Bien Mountain in Yen Dung; and golf courses in Luc Nam, Viet Yen, Lang Giang and Luc Ngan districts.

Thang said it also welcomes more investment to agro-forestry-fishery processing projects that apply high technology, along with waste, wastewater and exhaust gas treatment.

To achieve this year's plan, Bac Giang is pressing on with improving the business and investment climate, reforming administrative procedures, implementing investment promotion policies, assisting investors and firms in removing obstacles facing their operations, and speeding up licensed projects.

Additionally, it is mobilising resources and preparing infrastructure, clean land funds and material supply zones to create the best possible conditions for those intending to do business in the province, the department director noted, adding that the province is working hard to improve local transport infrastructure and accelerate the completion of facilities at industrial parks, especially the Quang Chau, Van Trung and Hoa Phu.

Since the beginning of this year, Bac Giang has approved in principle and granted investment registration certificates to 17 projects, including 10 domestic projects worth 302 billion VND (nearly 13 million USD) and seven FDI ones worth 69.5 million USD. Meanwhile, two domestic projects have had their capital increased by 142 billion VND, and 73.1 million USD has been added to six existing FDI projects.

By the end of February, the province had attracted 263.8 billion VND of domestic capital and 237.4 million USD of FDI capital in total. The new and additional capital of domestic projects grew 1.99-fold while that of FDI investments was equivalent to 60 percent of the figure in the same period of 2019.

So far this year, the locality has attracted just one large project which is the CE Link Vietnam No. 02 factory project worth 49.84 million USD.

Bac Giang is currently home to 1,242 domestically invested projects with combined registered capital of over 84.4 trillion VND and 451 FDI projects worth over 5.8 billion USD.

In the first two months of 2020, aside from the considerable impact of the COVID-19 outbreak, some major projects encountered other problems in mobilising capital such as the An Khanh Bac Giang thermal power plant of the An Khanh Bac Giang JSC; the logistics infrastructure project in

Bac Giang city of the Bac Giang International Logistics Co. Ltd; and the port, coal processing, mechanical equipment production and medium-density fireboard manufacturing complex of the Thien Lam Dat JSC./.

Corporate News

7. VNG: BOD resolution on setting up subsidiary

↓ -0.36%

The Board resolution dated March 17, 2020, the Board of Directors of Thanh Thanh Cong Tourist Joint Stock Company approved the establishment of subsidiary as follows:

- Company name: TTC International Travel Limited Company
- Short name: TTC Travel

- Address: 512 Ly Thuong Kiet, ward 7, Tan Binh District, Hochiminh
- Charter capital: VND 50,000,000,000
- Representative of stake: Mrs. Phan Thi Hong Van.

8. Vietnam Airlines suspends all two-way international flights until April 30

↓ -4.33%

The report was released as the COVID-19 pandemic is growing, while the policy of restricting entry and closing borders was increasing around the world.

Southeast Asia routes including Singapore, Thailand, Indonesia, Laos, Cambodia and Myanmar will be suspended from March 21. The British and Japanese routes are halted in both directions from March 23.

Departures to Germany and Australia will be paused from March 24, and returns from March 25.

Vietnam Airlines also suspended flights between Việt Nam and China, Hong Kong, Macao, South Korea, France, Russia, Malaysia and Taiwan.

Vietnam Airlines said that passengers planning to fly internationally during this period should actively monitor the flight schedule on the website www.vietnamairlines.com and Vietnam Airlines application to plan the appropriate route themselves.

“Vietnam Airlines is looking forward to receiving the sympathy of passengers for its operations in this unavoidable situation. Vietnam Airlines will widely inform passengers about the plan to re-operate these routes after a new decision by the authorities,” Vietnam Airlines said.

To assist affected passengers, Vietnam Airlines waives fees and conditions for changing flight dates and itinerary changes for all international passengers affected by COVID-19 before March 25.

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