



VIETNAM DAILY NEWS

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Market Analysis

1. Shares rise up despite falling macroeconomic metrics

Shares gained for three consecutive sessions on Friday, retracing some of the early week's losses despite the record 10-year low GDP growth released during the day.

The benchmark VN-Index on the Ho Chi Minh Stock Exchange edged up 0.27 per cent to close the session at 696.06 points.

The southern market index increased 0.57 per cent to close Thursday at 694.21 points.

A total of 328 million shares were traded on the southern bourse, worth VND4.4 trillion (US\$187.4 million).

Eighteen of the 30 largest stocks by market capitalisation and trading liquidity in the VN30 basket dropped to weigh on the market. Twelve of them moved up.

According to the General Statistics Office, Viet Nam's GDP growth in the first quarter of 2020 is estimated to increase by only 3.82 per cent year-on-year, the lowest in the past 10 years. Three economic sectors experienced a sharp decline in growth, including agriculture - forestry - fishery, construction and service.

Bao Viet Securities Co said in its daily report that Q1 GDP growth was much lower than the preliminary forecasts in early February.

"However, this is not a surprise for investors amid the COVID-19 pandemic with complicated developments recently. We believe that with Government's drastic social distancing measures since late March 2020, GDP growth will continue to be strongly affected in the second quarter, especially in service," the company said.

On the global market, investors' sentiment was lifted by hopes of further stimulus measures.

The Dow Jones Industrial Average surged 1,351.62 points, or 6.38 per cent, to 22,552.17, the S&P 500 gained 154.51 points, or 6.24 per cent, to 2,630.07 and the Nasdaq Composite added 413.24 points, or 5.6 per cent, to 7,797.54.

The US is expected to pass a \$2.2 trillion stimulus package that will provide their people with money to curb the damage caused by the pandemic.

On the Vietnamese market, investors' sentiment remains stable and bottom-fishing demand appeared in many large-cap stocks. Blue-chips like Bao Viet Holdings (BVH), Vingroup (VIC), Vincom Retail (VRE), Sabeco (SAB), Vinhomes (VHM) and Vinamilk (VNM) all gained and helped indices go up.

On the down side, Mobile World Group (MWG), Hoa Phat Group (HPG), HDBank (HDB), Bank for Investment and Development of Viet Nam (BID) were among the decliners.

On the Ha Noi Stock Exchange, the HNX-Index declined 0.47 per cent to close Friday at 97.35 points.

The northern market had risen 3.24 per cent to close Thursday at 100.09 points.

More than 49 million shares were traded on the northern bourse, worth VND445 billion.

VN-Index is forecast to experience alternative ups and downs between 653-720 points next week, according to Bao Viet Securities Co.

"The market could possibly fluctuate wildly early next week and drop to 653-673 points," the company said.

"Profits of listed companies in Q1 2020 may also be below expectation under the influence of COVID-19 pandemic," it said. — VNS.

Macro & Policies

2. Australia stocks drop more than 5% in mixed day for Asia Pacific markets

Stocks in Australia led losses among the region's major markets as the S&P/ASX 200 dropped 5.3% to close at 4,842.40.

Elsewhere, however, shares were mostly higher. In Japan, the Nikkei 225 advanced 3.88% by the close at 19,389.43 while the Topix index gained 4.3% to end its trading day at 1,459.49. South Korean stocks were also higher on the day, with the Kospi up 1.87% to 1,717.73 while the Kosdaq index gained 1.2% to 522.83.

Mainland Chinese stocks were mixed by their close, with the Shanghai composite rising 0.26% to about 2,772.20 while the Shenzhen composite dipped 0.459% to around 1,693.35.

Overall, the MSCI Asia ex-Japan index rose 0.25%.

On the economic data front, China's industrial profits for January-February plunged 38.3% year-on-year, according to the country's National Bureau of Statistics. The period covered by the data release coincided with lockdowns announced by the Chinese government to combat the spread of the coronavirus in the country, where the disease was first reported.

"I think the data's probably gonna come in ... really bad in Q2 for majority of the global economy," Cedric Chehab, head of country risk and global strategy at Fitch Solutions, told CNBC's "Squawk Box" on Friday. "Although equity markets and financial markets typically bottom before the economy does, it feels a little bit sudden or a little bit quick ... for the markets to be bottoming.

"(We're) still seeing a very large increase in the number of COVID-19 cases globally and we really haven't seen ... the curve flatten yet," Chehab said.

A surge in reported infections in recent days has made the U.S. the country with the largest number of confirmed coronavirus cases. Globally, more than 531,800 have been infected while at least 24,000 lives have been taken, according to data compiled by John Hopkins University.

Overnight stateside, the Dow Jones Industrial Average skyrocketed 1,351.62 points to close at 22,552.17, capping its biggest three-day surge since 1931. The S&P 500 also posted a three-day winning streak, rising 6.2% to end its trading day at 2,630.07. The Nasdaq Composite advanced 5.6% to close at 7,797.5.

The U.S. Senate unanimously passed a historic \$2 trillion coronavirus relief package Wednesday night, with the stimulus bill now headed for the House, which will push to pass it by voice vote Friday morning. House speaker Nancy Pelosi, D-Calif., said the bill will be passed "with strong bipartisan support."

Still, jobless benefit claims in the U.S. had soared to 3.28 million last week, according to the Labor Department — by far a record. That, however, was still lower than the most dire estimates on Wall Street.

Meanwhile, U.S. Federal Reserve Chairman Jerome Powell said Thursday that the central bank will not "run out of ammunition" to keep the economy stable.

"We judge markets are pricing-in a short sharp US recession," Joseph Capurso, senior currency strategist at Commonwealth Bank of Australia, wrote in a note. "Our fear is the surge in jobless claims – even if the benefits paid will soon be increased – will draw-out the recession longer than markets expect."

The U.S. dollar index, which tracks the greenback against a basket of its peers, was last at 99.187 after falling from levels above 100 yesterday.

The Japanese yen traded at 108.60 against the dollar after strengthening from levels above 110 yesterday. The Australian dollar changed hands at \$0.6087 after seeing levels below \$0.58 earlier in the trading week.

Oil prices were mixed in the afternoon of Asian trading hours, with international benchmark Brent crude futures down 0.42% to \$26.23 per

barrel. U.S. crude futures also advanced 1.24% to \$22.88 per barrel.

3. Indian stocks see volatile trading after the central bank cuts rates to 'mitigate' coronavirus impact

The Nifty 50 index wavered between gains and losses: It traded up 0.38% at 2:27 p.m. HK/SIN after climbing more than 4% and then dropping 1% earlier in the session. The S&P Sensex index was down 0.7%, retracing previous advances of more than 3%.

The rupee strengthened against the dollar to around 74.69, up from levels near 74.77.

The Reserve Bank of India's Monetary Policy Committee met this week and cut the repo rate — or the rate at which it lends to commercial banks — by 75 basis points from 5.15% to 4.4% on Friday. Originally, the central bank was scheduled to meet next week and the interest rate decision was due on April 3.

"After extensive discussions, the MPC voted for a sizeable reduction in the policy repo rate and for maintaining the accommodative stance of monetary policy, as long as necessary to revive growth, mitigate the impact of COVID-19 while ensuring that inflation remains within the target," RBI Governor Shaktikanta Das said in a press briefing.

The RBI also reduced the reverse repo rate — or the rate at which banks lend to the central bank — by 90 basis points to 4% to make it more unattractive for banks to "passively deposit funds with the Reserve Bank" instead of lending them to productive sectors of the economy, according to Das. Other measures to inject liquidity into the system were also announced.

Das added the current situation is "unprecedented" and that everything hinges on "the depth of the COVID-19 outbreak, its spread and its duration." In its policy statement, the central bank said if the situation worsens, it would have "adverse implications for India."

India is currently in a three-week lockdown that began this Wednesday as part of its efforts to control the coronavirus outbreak, which causes the respiratory illness COVID-19. Finance Minister Nirmala Sitharaman announced an economic stimulus package worth more than \$22 billion on Thursday to help households that would be disproportionately affected by the lockdown.

The RBI's decision on Friday put it on a similar path as its peers — other central banks have eased their monetary policies to help support their economies from the coronavirus pandemic that has infected more than 500,000 people worldwide.

"At this point in time, the onus is clearly on the RBI to nurse the economy back to health," Kunal Kundu, India economist at Societe Generale, said in a Wednesday note before the central bank's decision Friday.

"We think market-watchers will be more focused on how RBI uses non-interest tools to support struggling corporates as cash flows dry up and the dollar shortage starts to sting," he added.

4. Trump says the US and China are 'working closely together' in fight against coronavirus

U.S. President Donald Trump said in a tweet that he spoke with his Chinese counterpart Xi Jinping "in great detail" about the COVID-19 pandemic, which has so far killed more than 24,000 people globally. The U.S. overtook China

overnight as the country with the most confirmed virus cases, data showed.

"China has been through much & has developed a strong understanding of the Virus," Trump said on

Twitter. “We are working closely together. Much respect!”

The phone conversation followed a video conference meeting of G-20 leaders during which Xi gave a speech calling for greater international cooperation. The virus was first reported in late December in the Chinese city of Wuhan and has since killed more than 3,200 people in the country. The spread of the virus domestically has since stalled, but China has stepped up efforts to prevent travelers bringing the disease back from overseas by essentially closing borders to foreigners beginning Saturday.

In the call with Trump, Xi said that U.S.-China relations are at a critical juncture, and hoped the U.S. would make substantial action in improving the relationship, according to a Chinese-language state media report translated by CNBC.

“Under the current circumstances, China and the U.S. should unite to fight the epidemic,” the report of Xi’s comments said, noting both countries’ health departments and disease control experts have maintained communication.

“The Chinese side is willing to continue to provide information and experience with the U.S. without

reservation,” the report added, noting some provinces, cities and businesses in China are providing the U.S. with medical supplies.

“The Chinese side understands the current difficulties of the U.S., and is willing to provide support within (China’s) ability.”

It was not immediately clear from the report whether China would give away supplies, or that it just hopes to sell more. China has donated some supplies externally since the crisis began, as well as accept assistance from outside.

Xi also emphasized that he hoped the U.S. would protect the health and lives of the many Chinese international students in the United States.

The phone call between the two leaders amid the global emergency follows almost two years of escalating trade tensions that were only partially resolved in January with the signing of a phase one trade agreement.

The Chinese state media report of the call noted Trump said China’s experience gave him “great inspiration,” and that America would protect Chinese citizens in the U.S., including international students.

5. U.S. House leaders determined to pass US\$2.2 trillion coronavirus bill

On a call with fellow Democrats on Thursday afternoon, Speaker Nancy Pelosi urged House members not to do anything to delay the unprecedented economic aid package that the U.S. Senate backed unanimously on Wednesday night, lawmakers and aides said.

Representative Madeleine Dean said the message on the two-hour call was “Let’s get this done tomorrow if we possibly can. If not, at the very latest Saturday.”

Dean said she would drive to Washington from her Pennsylvania district for the debate, due to start at 9 a.m. (1300 GMT). “It was so obvious from everyone’s conversation on the call, we know what we have to do. We have to get relief to the American people now,” Dean said.

The Senate bill - which would be the largest fiscal relief measure ever passed by the U.S. Congress - will rush direct payments to Americans within three weeks if the Democratic-controlled House backs it and Republican President Donald Trump signs it into law.

“The House of Representatives must now pass this bill, hopefully without delay. I think it’s got tremendous support,” Trump said at a daily coronavirus briefing.

The US\$2.2 trillion measure includes US\$500 billion to help hard-hit industries and a comparable amount for payments of up to US\$3,000 to millions of families.

The legislation will also provide US\$350 billion for small-business loans, US\$250 billion for expanded

unemployment aid and at least US\$100 billion for hospitals and related health systems.

The Republican-led Senate approved it 96-0 late on Wednesday. The unanimous vote, a rare

departure from bitter partisanship in Washington, underscored how seriously members of Congress are taking the global pandemic as Americans suffer and the medical system reels.

6. Fed balance sheet tops \$5 trillion for first time as it enters coronavirus war mode

The Fed's total balance sheet size exploded by more than half a trillion dollars in a single week, roughly twice the pace of the next-largest weekly expansion in the financial crisis in October 2008. As of Wednesday, the Fed's stash of assets totaled \$5.3 trillion, according to data released on Thursday.

The Fed bought \$355 billion of Treasuries and mortgage-backed bonds in the last week in what is now an open-ended commitment to stabilize financial markets rocked by the outbreak and the halt in economic activity that has come in its wake.

It also offered more than \$200 billion in credit through so-called foreign currency swap lines to other central banks to allow them to pump much-needed greenbacks into their jurisdictions to help foreign borrowers stay current with their dollar-denominated liabilities.

The weekly snapshot of the Fed's balance sheet, released each Thursday, also showed sizable demand for a pair of brand new liquidity facilities aimed at stabilizing money markets and supporting primary dealers, the banks that transact directly with the central bank.

The new Primary Dealer Credit Facility had been tapped for \$27.7 billion in loans as of Wednesday, while the Money Market Mutual Fund Liquidity Facility had borrowings of \$30.6 billion.

Banks continued to line up for loans directly from the Fed at its so-called Discount Window, long stigmatized as the source of last resort for weak banks to get cash. The Fed is trying to ease that stigma and has encouraged banks to use the facility more liberally.

As of Wednesday, those borrowings were up to \$50.8 billion from \$28.2 billion the previous week.

On Thursday, Fed Chair Jerome Powell pledged the Fed would lend "aggressively" to thwart the outbreak's damage to the economy.

The number of Americans seeking unemployment benefits for the first time shot to a record 3.3 million last week. Tens of millions of Americans are in some form of isolation and thousands of businesses across the country have closed temporarily to contain the virus' spread.

Corporate News

7. HPG: Resolution on the General Meeting of Shareholders

↓ -4.42%

Hoa Phat Group Joint Stock Company announces the Resolution on the General Meeting of Shareholders dated March 25, 2020 approving the adjustment of the investment project of Hoa Phat Dung Quat Steel Production Complex in Quang Ngai as follows:

- Project scale: 5 million tons
- Use area: 166 ha
- Total investment: expected about VND 60,000 billion; Of which:

Fixed capital: expected about VND 50,000 billion;

Movable capital: expected about VND 10,000 billion.

- Project progress: including two phases:

Phase 1: 36 months from the date of land transfer and construction permit;

Phase 2: 36 months from the finish date of phase 1.

8. VPB: The shares of ESOP 2018 removed the transfer restriction

↓ -0.26%

VietNam Prosperity Joint Stock Commercial Bank (VPBank) announces the first removal of transfer restriction of the shares in the 2018 employee stock ownership plan (ESOP 2018) as follows:

- Number of shares expected to be removed the restriction: 59,773 shares
- Estimated trading date: March 30, 2020

9. VNG: Notice of temporary closing of some business locations

↑ 0.80%

Thanh Thanh Cong Tourist Joint Stock Company (stock code: VNG) decides to temporarily close some business locations due to the outbreak of the Covid-19 pandemic as follows:

File Attachment

[171340 ss-locations--MN.pdf](#)

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