



# VIETNAM DAILY NEWS

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## Market Analysis

### 1. VN shares sink as worries about virus-hit market arise

Vietnamese shares slumped on Monday as market sentiment was pressured by worries about the broader spread of the coronavirus in the country.

The benchmark VN-Index on the Ho Chi Minh Stock Exchange tumbled 4.86 per cent to end at 662.26 points.

The HNX-Index on the Ha Noi Stock Exchange fell 4.18 per cent to close at 93.28 points.

The VN-Index declined a total of 1.92 per cent and the HNX-Index fell total 4.36 per cent.

A total of nearly 279 million shares were traded on the two bourses, worth VND3.87 trillion (US\$164.8 million).

Of the total figure, 219 million shares were exchanged via order-matching system, worth VND2.68 trillion.

The market suffered from poor market sentiment as investors worried about the increased number of coronavirus infection cases in the country, securities firms reported.

As of Monday, 203 coronavirus infection cases had been reported in Viet Nam. The number has increased sharply from only 16 as of March 6.

Large-cap stocks were hit by a strong sell-off again on Monday, Thanh Cong Securities Co (TCSC) said in its daily report.

“Today’s trading proves investors are still cautious and skeptical about the current market movement amid the widespread coronavirus both inside and outside the country,” the company said.

Normally, the market would pick up as investors bet on listed firms to release good earnings

reports for the first three-month period of the year.

However, the impact of the coronavirus on the economy is severe, so the Q1 corporate earnings outlook is quite gloomy, the company said.

“Poor corporate earnings expectations would also have a bad impact on the local market,” TCSC said.

Blue chips also suffered from profit-taking after they helped the VN-Index make a three-day rally last week, MB Securities Co (MBS) noted.

The VN-Index increased by a total of 5.59 per cent from Wednesday to the end of last week.

Another factor that also suppressed the market was the sinking of oil prices and foreign net selling, MBS said.

Crude prices tumbled 5.3-8.8 per cent to trade at \$20.37-22.74 a barrel on Monday. Oil has lost two-thirds since early January.

Foreign investors on Monday net sold a total of VND160 billion worth of Vietnamese shares.

Pressured by those factors, the large-cap trackers VN30-Index and HNX30-Index declined 3.78-4.55 per cent on Monday.

Among the worst decliners were property firms Vinhomes (VHM) and Vincom Retail (VRE), SSI Securities (SSI), and lenders VPBank (VPB), MBBank (MBB), Techcombank (TCB) and Sacombank (STB).

Those shares plunged between 6.8 per cent and 7 per cent.

## Macro & Policies

### 2. Beer brewers foresee 30-70 per cent drop in profit due to COVID-19

Contrary to previous years, all beer brewers in Vietnam are looking at a hard time in 2020 due to the COVID-19 pandemic and Decree No.100/2019/ND-CP outlining sanctions for drink-driving taking effect since early this year.

Under the new rules, all drinkdrivers shall be imposed a fine of VND2-8 million (\$87-348) minimum and their licenses could be revoked for 22-24 months if tests confirm alcohol content in their blood or breath.

As soon as the decree came into force, well-known beer parlours and bars in Hanoi like Hai Xom and Prague Pub were submerged in silence and brewers have been forecasting a plunge in revenue. According to SSI Research, Sabeco will be hard-pressed to maintain double-digit output growth in 2020 due to Decree 100, with a forecast performance of 6-7 per cent in the whole sector instead.

The COVID-19 outbreak has made the situation even worse because a string of business establishments, including restaurants, bars and karaoke venues, have been ordered to halt operations. That also means beer makers may see little revenue during this closure.

As more infections are detected every day, major firms predict profits this year will plunge by 30-70 per cent.

Saigon-Mien Trung Beer JSC (HSX: SMB) targets VND1.472 trillion (\$64 million) in revenue, down 5 per cent on-year. Besides, its pre-tax profit is forecast to be VND156 billion (\$6.78 million), equal to 60 per cent of last year.

Saigon Beer Western (UPCoM: WSB) also predicts a 7 per cent fall in revenue, with expected earnings of VND967.3 billion (\$42 million). Moreover, pre-tax profit will fall to VND111.9 billion (\$4.87 million), equaling a 69 per cent drop on-year.

Under the pressure of Decree 100 and the health crisis, Hanoi Kimbai Beer JSC (UPCoM: BHK) estimated pre-tax profit to reach VND8.6 billion (\$373,910), down 31 per cent on-year. Meanwhile, Saigon-Dong Xuan Beer Alcohol (UPCoM: BSD) expects to earn about VND9.46 billion (\$411,300) in profit, equalling 72 per cent of last year's performance.

Giants like Sabeco (HSX: SAB) and Habeco (HSX: BHN) have yet to publish revised business plans for 2020. The latest information is that Habeco will organise a shareholders' meeting on April 28 while Sabeco announced delaying the meeting due to the COVID-19 outbreak. Accordingly, it will be held sometime before June 30.

In the stock market, SAB is now traded at VND121,000 (\$5.26) per share, down 45 per cent against early this year. BHN also recorded a downturn of 30.5 per cent to VND52,900 (\$2.30).

### 3. Việt Nam sees first reduction in retail sales of goods and services in Q1

In March, the total retail sales of consumer goods and services were estimated at VNĐ390 trillion (US\$16.4 billion), down 4 per cent from the previous month and down 0.8 per cent over the same period last year.

The spread of the pandemic has made customers restrict shopping at traditional markets, trade centres and supermarkets, travel and eating out, leading to the drop in total retail sales.

Tourism revenue fell 44.7 per cent month on month and 62.3 per cent year on year to VNĐ1.3 trillion after suffering the most severe impacts of COVID-19.

Revenue from accommodation and catering services also dropped sharply by 26.8 per cent year on year to VNĐ33.9 trillion.

Meanwhile, the retail sales of goods stood at VNĐ316.1 trillion, up 4.7 per cent year on year.

The revenue of other services reached VNĐ38.7 trillion, down 6.5 per cent year on year.

In the first quarter of this year, Việt Nam still gained low growth of 4.7 per cent in total retail sales of goods and services compared with the same period last year to VNĐ1.25 quadrillion. Of which, retail sales of goods were estimated at VNĐ985.8 trillion, accounting for 79.1 per cent of the total. This figure was up by 7.7 per cent over the same period last year.

Especially, revenue increased by 9.3 per cent for food; 8.4 per cent for gasoline and oil; 7.7 per cent for the group of household appliances, tools and equipment; 6.6 per cent for garments; 5.4 per cent for vehicles; and 2 per cent for cultural and educational services.

The pandemic has helped online shopping develop while enough supplies of goods helped retail sales grow in the first quarter, the office said.

#### 4. Virus and strict laws hurt beer sales

“Beer firms saw consumption fall by 40-50 per cent in the first two months of this year, while restaurants and catering services lost 70-80 per cent of customers compared to the same period in 2019,” the Việt Nam Beer Alcohol Beverage Association (VBA) wrote in a recent dispatch sent to the Prime Minister and relevant ministries proposing they remove difficulties for the beer-alcohol-beverage industry.

The VBA said Decree 100, which took effect on January 1, slapped heavy sanctions on inebriated drivers, leading to plunging sales of the amber nectar.

The industry has suffered again since the beginning of 2020 as the spread of COVID-19 forces companies to announce layoffs and and stores selling unnecessary stuff are requested to shutter.

A number of enterprises have already changed their business plans for this year with a profit reduction of 30-70 per cent.

Sai Gon-Mien Trung Beer JSC (SMB) plans to earn VNĐ1.47 trillion (US\$62.6 million) in revenue this

Some localities did report growth in the retail sales of goods during the first quarter, including Hải Phòng (11 per cent); Hà Nội (9.3 per cent); Bà Rịa-Vũng Tàu (8.1 per cent); HCM City (8 per cent); Cần Thơ (7.3 per cent); and Thanh Hóa (6.9 per cent).

Meanwhile, tourism revenue in the first quarter was VNĐ7.8 trillion, down 27.8 per cent year on year, while this sector posted growth of 23.2 per cent year on year in the first quarter of 2019.

The localities that saw strong drops in the tourism revenue in the first quarter included Thanh Hóa (49.9 per cent); Bà Rịa-Vũng Tàu (48.3 per cent); Quảng Ninh (47.1 per cent); Khánh Hòa (43.9 per cent); HCM City (39.9 per cent); Bình Định (24.4 per cent); Đà Nẵng (19.5 per cent); Hà Nội (18.7 per cent); and Hải Phòng (14.9 per cent).

year, down 5 per cent compared to 2019, while pre-tax profit is expected to decrease by 40 per cent to VNĐ156 billion.

The company achieved pre-tax profit of VNĐ259 billion in 2019, up 48 per cent year-on-year, and exceeded 73 per cent of its yearly target.

Saigon Beer Western JSC (WSB) expects total revenue to be about VNĐ967.3 billion in 2020, down 7 per cent compared to 2019. Post-tax profit is estimated to drop sharply by 69 per cent to VNĐ111.9 billion.

WSB recorded net profit of VNĐ161.2 billion last year, up 37.2 per cent year-on-year and exceeding 87 per cent of the yearly target.

Hanoi Kimbai Beer JSC (BHK) has set a revenue target of VNĐ231 billion in 2020, up 26 per cent year-on-year. Pre-tax profit is expected to reach VNĐ8.6 billion, down 31 per cent compared to 2019.

Sài Gòn-Đồng Xuân Beer Alcohol JSC (BSD) has a revenue target of VNĐ314.7 billion this year, with

post-tax profit of VNĐ9.46 billion, equal to only 72 per cent of 2019.

Hà Nội-Thanh Hoá Beer JSC (THB) expects revenue in 2020 will reach VNĐ2.09 trillion, up 78 per cent compared to 2019 as the company plans to expand the consumption market towards the central region and seeks to export to other countries.

However, pre-tax profit is estimated to reach VNĐ7.5 billion, a 64 per cent decrease compared to 2019.

Hà Nội Beer Trading Joint Stock Company (HAT) expects revenue this year to touch VNĐ140.2 billion, equal to 88 per cent of that in 2019, and after-tax profit to reach VNĐ3.3 billion, only one third of last year.

As a response to several high-profile accidents last year, Government Decree 100/2019/NĐ-CP went into effect on January 1, the same day as the new Law on Prevention and Control of Harmful Effects of Alcoholic Beverages.

Decree 100 bans any alcoholic intake among drivers with a fine of up to VNĐ40 million and a driving licence suspension of two years for automobile drivers, and a fine of up to VNĐ8 million for motorcycle riders. Even cyclists may be subject to a fine of VNĐ600,000 for drink driving.

The Việt Nam Beer Alcohol Beverage Association, which represents domestic and international brewers, said its members had been complaining about a sharp fall in sales since the law was enforced.

The association said the reduction in beer and wine consumption has not only influenced the industry but also affected partners and suppliers, restaurants and bars, leading to thousands of unemployed workers, especially in the service sector.

The decline would lead to difficulties in tax collection, as the industry faced a high special consumption tax, corporate income tax, value-added tax and personal income tax, the VBA said.

## 5. Covid-19: Massive passenger transport providers requested to minimize services

Passenger transport under contract, except for inter-provincial passenger routes, to/from Hanoi and Ho Chi Minh City will be suspended until April 15, according to the an instruction from the Ministry of Transport released on March 29 to limit the risk of coronavirus infection from mass movement of people.

Accordingly, all the contracted service vehicles of more than nine seats are required to suspend operations until April 15. Passenger transport on fixed routes to/from Hanoi and Ho Chi Minh City is maintained, but operators have to reduce to two trips per day, provided that the distance is less than 100 km, and the number of passengers would not exceed 20 or less of 50% of the total seats. Exceptional cases will need the authorization of the Directorate for Roads of Vietnam.

The restriction is not applied to non-passenger transport.

The Departments of Transport in provinces and cites are asked to enforced the ministerial instruction; reorganize or temporarily suspend public transport to minimize travel and gatherings, except for goods transport.

Vietnam Railway Corporation and railway transport units are also requested to suspend the operation of all the passenger trains from March 30 until the end of April 15.

Only two pairs of passenger trains are allowed to operate per day between Hanoi and Ho Chi Minh City.

The Vietnam Maritime Administration and Vietnam Inland Waterways Administration are requested to stop all boats taking passengers to islands and adopt strict disease prevention measures for crew members and passengers.

## 6. Disbursement of public investment would help lift GDP by 0.42 percentage points: GSO

The Vietnamese Government has identified public investment as the engine for growth to offset the growth gap caused by the COVID-19 pandemic.

GSO Director Nguyễn Bích Lâm said that boosting public investment would be an efficient solution to lift economic growth, estimating that every increase of one per cent in public investment disbursement would push up GDP by 0.06 percentage points.

In recent years, the disbursement rate of public investment were around 92-93 per cent of the plan. If that rate reached 100 per cent, GDP this year would increase by 0.42 percentage points.

Lâm said that focus should be placed on handling bottlenecks in land policies and administrative procedures to boost public investment disbursement, especially for key and large-scale projects which would contribute to the economy's production capacity such as the projects

to expand Tân Sơn Nhất and Nội Bài international airports, the construction of Long Thành International Airport and the North-South expressway.

GSO statistics showed that the realised investment in the economy was estimated to total VNĐ367.9 trillion (US415.85 billion), representing an increase of just 2.2 per cent in the first quarter of this year, the lowest rate in the 2016-20 period.

In comparison, disbursed State capital rose by 13.2 per cent, a relative high rate in the context of the COVID-19 pandemic, reflecting the Government's determination to boost the disbursement of public investment, the GSO said.

State capital accounts for 30.5 per cent of the total investment in the Vietnamese economy. It was estimated that around VNĐ700 quadrillion in public investment would be disbursed this year.



## Corporate News

### 7. TCB: Board resolution on credit transactions

↓ -6.88%

According to the Board resolution dated March 27, 2020, the Board of Directors of Vietnam Technological and Commercial Joint Stock Bank (Techcombank) approved to change the credit limit for Vincommerce as follows:

- New credit limit: VND1,000 billion
- Term: 12 months from October 07, 2019.

### 8. PNJ: Record date for cash dividend of 2019

↓ -6.94%

Record date for cash dividend of 2019 of Phu Nhuan Jewelry Joint Stock Company as follows:

File Attachment

[161706 2019.pdf-revised.pdf](#)

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