



VIETNAM DAILY NEWS



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Market Analysis

1. VN rally cools following nationwide social-distancing order

Vietnamese shares repealed on Tuesday as investors reacted defensively to the Government's nationwide social distancing decision to fight the COVID-19 pandemic.

The benchmark VN-Index on the Ho Chi Minh Stock Exchange was hardly changed, inching up 0.04 per cent to end at 662.53 points.

The VN-Index was at one point up 2.47 per cent during the day after it tumbled 4.86 per cent on Monday.

The HNX-Index on the Ha Noi Stock Exchange fell 0.69 per cent to close at 92.64 points after having gained 1.82 per cent in earlier trading.

The northern market plunged 4.18 per cent on Monday. The HNX-Index has lost a total of 7.44 per cent in the last four trading days since last Thursday.

More than 314 million shares were traded on the two exchanges, worth VND4.14 trillion (US\$175 million).

The local stock market was dragged down by a selloff in the afternoon session, which came after the Government decided to launch a nationwide social distancing decision, according to MS Securities Co (MBS).

The measure would force people to stop travelling and ban gatherings of more than two people to prevent the coronavirus from spreading.

The measure will take effect on 12am Wednesday, April 1 and last for 15 days.

As of Tuesday, Viet Nam had reported 207 coronavirus cases.

The selloff hit local shares and pulled them down from their intraday rallies.

Large-cap stocks narrowed their gains as the large-cap tracker VN30-Index finished down 0.37 per cent after gaining 2.53 per cent in the morning session.

Among the large-cap stocks that fell off were property firms Vingroup (VIC) and Vincom Retail (VRE), brewer Sabeco (SAB), Vietcombank (VCB), tech group FPT Corp (FPT), petrol firm Petrolimex (PLX), and SSI Securities Corp (SSI).

Meanwhile, retailer Mobile World Investment (MWG), Sacombank (STB), VPBank (VPB), Eximbank (EIB) and Cotecons Construction (CTD) were among the worst declining large-caps.

The brokerage, retail, banking, and mining and energy indices lost between 0.14 per cent and 2.66 per cent, data on vietstock.vn showed.

Foreign net selling was another burden for the market. Foreign investors on Tuesday net sold a total of VND400 billion worth of shares on the two exchanges.

The VN-Index is struggling at 650 points, and negative signals may appear if it fails to settle at that level, MBS said.

Macro & Policies

2. Fresh fruit exported to China in refrigerated containers

Export of fresh fruit to China via train using refrigerated containers has contributed to curbing the spread of the COVID-19 pandemic.

According to the Vietnam Railways Corporation (VNR), this kind of shipping helps reduce the number of people engaged in the export procedure, while it is not necessary to quarantine drivers and owners.

The VNR said on March 30 that after more than a month of operation, over 200 refrigerated containers of dragon fruit have been shipped to China.

At present, it takes about 70 hours by train with refrigerated containers to go from the southern region to Dong Dang Station in the northern mountainous province of Lang Son. A train's transport capacity is 20 times higher than that of a truck, and the transportation cost by a train is about 20 percent lower than 20 trucks.

Apart from dragon fruit, nine other fruits will be exported to China by train in the time ahead.

The VNR said that in the context of difficulties in exporting agricultural products to China through auxiliary border gates due to COVID-19, the use of refrigerated containers for international shipping is currently the most effective solution./.

3. Vietnam Airlines increases cargo transport to ensure trade

The national flag carrier Vietnam Airlines has committed to intensifying the operation of freight flights, both domestically and internationally, amid the outbreak of the COVID-19 pandemic.

From March 12-31, it has conducted 45 freight flights from Hanoi and Ho Chi Minh City to Japan, the Republic of Korea, China, Hong Kong (China), Singapore, Malaysia and Thailand.

Cargo flights, using Boeing 787-9 and Airbus A350, carry about 20-25 tonnes of goods each way. They are the first all-cargo flights by Vietnam Airlines, with no passengers and flight attendants. Pilots are equipped with necessary protective gear and the cargo hold is disinfected immediately after each flight.

Apart from commodities serving socio-economic activities, the carrier's flights have also transported products to serve the COVID-19 fight such as medical face masks, protective gear, and

medical equipment. Recently, it supported the free shipping of more than 3 tonnes of protective gear and face masks of Cho Ray Hospital from Ho Chi Minh City to Hanoi and transported 10 ventilators funded by the Temasek Foundation from Singapore to Vietnam.

Freight flights are the national flag carrier's efforts to ensure trade, maintain production and business, especially in import-export activities, thus improving the social life of workers in big factories and industrial zones and joining hands with the Government in the pandemic fight.

In April, it plans to conduct around 150 domestic cargo flights between Hanoi and Ho Chi Minh City and from Nha Trang and Can Tho to Hanoi, and over 130 international flights to Japan, the Republic of Korea, China, Hong Kong, Thailand, Singapore, the UK, France, Germany, Russia and Australia./.

4. Online trade promotion activities should be developed due to COVID-19: agency

The Vietnam Trade Promotion Agency has encouraged localities, businesses and trade promotion organisations develop online

marketing measures during the COVID-19 pandemic, said agency director Vu Ba Phu.

They should promote trade promotion activities on digital platforms, develop e-commerce activities and boost the application of information technology for their operations.

At the same time, the agency will strongly enhance trade promotion programmes of export products and online trade links between Vietnamese businesses and import partners.

Phu told the Cong thuong (Industry and Trade) newspaper that his office would coordinate with Vietnam's trade offices and commercial counsellors abroad to utilise export opportunities and propose suitable trade promotions.

The agency will provide Vietnam trade offices with a list of target markets and goods with high potential of export compiled by localities and commodity associations. Then, those offices would provide the market information for importers and

distributors in foreign countries, especially in Cambodia, Laos, Myanmar and Thailand.

Meanwhile, it would cooperate closely with the Vietnam Trade Office in China to resume trade promotion activities at this market after the pandemic ends, he said.

Due to the COVID-19 pandemic, Phu said existing difficulties in production and business have brought opportunities for domestic businesses to reorganise and restructure input material and export markets.

Phu said his agency would cancel or delay 49 projects under the national trade programme this year, including large international fairs and exhibitions on agricultural products, food, seafood, textiles and footwear at home and abroad, and major international trade events in Vietnam and the region./.

5. Business survey to begin on April 1

The General Statistics Office (GSO) is scheduled to begin a survey of businesses on April 1 with a view to collecting basic information to serve management and policy making, Deputy General Director of the office Nguyen Trung Tien said.

The survey will cover enterprises, cooperatives, cooperative unions and people's credit funds that have been operating since before January 1, 2020, along with production and business facilities of enterprises, he said.

The information collected will serve the management and formation of policies and plans

on socio-economic and enterprise development across the country.

It will also be used to build a national statistical criteria system, compile the White Book on Vietnamese Businesses 2021, update the enterprise database, and serve other purposes, Tien noted.

Firms that are provided with accounts and passwords can answer the questionnaire on the survey's website, or interviewers will gather information via email or over the phone.

The survey will be carried out until May 30./.

6. Vietnamese economy stays resilient to external shocks: WB

While Vietnam remains significantly exposed to the COVID-19 outbreak and the ongoing turbulence in the global financial markets, its economy stays resilient to external shocks in the first few months of 2020, according to the World Bank (WB).

In its East Asia and Pacific Economic Update April 2020, the WB said on the upside, Vietnam is

strongly positioned to benefit from numerous free trade agreements that are coming into force over the forecast period.

In the first two months, its exports have expanded by 8 percent, FDI inflows amounted to 2.5 billion USD and retail sales were up by 5.4 percent, the bank said, noting that while prospects remain favourable for the Vietnamese economy in the

medium term, GDP growth will be affected negatively by the recent coronavirus outbreak, now a global pandemic.

The WB cited preliminary estimates as suggesting that the rate of expansion of the economy could decline to about 4.9 percent in 2020.

The most important negative impacts associated to the outbreak are on tourism and on manufacturing due to supply chain disruptions. Inflationary pressures are projected to increase temporarily.

With many households now wage dependent even in rural areas, a slowdown in tourism, hotels, and catering as well as manufacturing sectors could temporarily increase poverty during the first half of 2020, the WB predicted.

According to the report, the fiscal deficit will temporary increase in 2020 due to lower revenue and the fiscal stimulus that will partially compensate for the negative effect of the global pandemic on the Vietnamese economy.

Over the medium term, growth is projected to rebound back to 7.5 percent in 2021 and converge at around 6.5 percent in 2022, reflecting an improved external demand and a firming of the services sector, as well as a gradual recovery in agricultural production, the WB added.

It also suggested Vietnam manage external risks by diversifying its trade flows, improving its competitiveness and adhering to new trade agreements./.

Corporate News

7. VPB: Approving the record date to collect shareholders' opinion

↓ -6.87%

On March 30, 2020, the Board of Directors of VietNam Prosperity Joint Stock Commercial Bank approved the record date to collect shareholders' opinion in writing as follows:

- Record date: April 20, 2020.
- Exercise ratio: 01 share – 01 voting right
- Time of implementation: expected in April 2020

- Meeting venue: VPBank Building, 89 Lang Ha, Dong Da, Hanoi.

- Content:

Purchasing treasury shares in 2020;

Other issues.

8. TPB: Report on purchasing the treasury shares

↓ -6.79%

Tien Phong Commercial Joint Stock Bank reports the result of the purchase of treasury shares as follows:

- Stock symbol: TPB
- Number of treasury shares before trading: 30,016,056 shares
- Number of registered shares to buy: 10,000,000 shares

- Bought volume: 10,000,000 shares

- Trading period: from March 20, 2020 to March 26, 2020

- Current treasury shares volume: 40,016,056 shares

- Trading price: from VND 21,300/share to VND 22,700/share

- Trading method: order matching or put through

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