



# VIETNAM DAILY NEWS



April 03rd, 2020

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## Market Analysis

### 1. VN stocks rally on policy assurance amid increasing virus infections

Vietnamese shares enjoyed a stable rally on Wednesday but securities firms were still wary of short-term movements.

The benchmark VN-Index on the Ho Chi Minh Stock Exchange gained 2.67 per cent to end at 680.23 points, extending growth for a second day from a 0.04 per cent increase on Tuesday.

The HNX-Index on the Ha Noi Stock Exchange jumped 3.21 per cent to close at 95.61 points. It had dropped a total of 7.44 per cent in the previous four trading days.

More than 303.5 million shares were traded on the two exchanges, worth VND4.16 trillion (US\$176 million).

The figure included 236 million shares sold via order-matching deals, worth VND2.38 trillion.

The local stock market rebounded in the morning session after Government officials and agencies reassured that a 15-day nationwide social-distancing order, starting on Wednesday, was not a lockdown and the securities market would not be interrupted during the fight against COVID-19.

The State Securities Commission on Wednesday also sent a letter to centrally-run cities and provinces, asking local authorities to consider securities trading “an indispensable activity” so the stock market would run uninterrupted.

Large-cap stocks advanced on both exchanges. Large-cap trackers VN30-Index and HNX30-Index rose 2.95 per cent and 3.67 per cent, respectively.

In the VN30 basket, 27 of the 30 largest stocks by market capitalisation and trading liquidity made gains while only two declined.

The four best-performing large-caps were Sacombank (STB), insurer Bao Viet (BVH), SSI Securities (SSI) and FLC Faros Construction (ROS), which surged 6.7-7.0 per cent.

Other large-caps that followed included petrol group Petrolimex (PLX), HDBank (HDB), Vietinbank (CTG), Military Bank (MBB), Vietcombank (VCB), Bank for Investment and Development of Vietnam (BID), and retailer Mobile World Investment (MWG).

Foreign investors remained as net sellers but their selling lightened on Wednesday. Net foreign selling reached VND140 billion on the two exchanges, down 65 per cent from Tuesday's figure.

Local stock exchanges and securities firms will take a day off on Thursday the national holiday for the Hung Kings Festival.

Wednesday's gain may only be a technical recovery as trading liquidity of order-matching deals declined on a daily basis, Sai Gon-Ha Noi Securities Co (SHS) said in its daily report.

The VN-Index may encounter strong resistance as it is approaching the 700-point level in the coming days, the company said.

“Investors are betting the market will soon decline sharply again,” SHS said.

“The developments of the coronavirus pandemic will still weigh on market sentiment after the market returns from the national holiday,” the company said.

## Macro & Policies

### 2. HCM City attracts over 1 billion USD in FDI

HCM City had lured over 1 billion USD in foreign direct investment (FDI) this year as at March 20, down 33 percent compared to the same period last year, according to the city's statistics office.

The figure includes newly-registered capital, additional capital in existing projects, capital contributions, and shares purchased by foreign investors.

The city granted new investment licenses to 290 projects with investment of 142.5 million USD, up

14.2 percent in project number but down 50.7 percent in value.

Forty-six existing projects added 80.8 million USD in capital, a year-on-year increase of 30.9 percent.

The city also approved capital contributions and share purchases by 1,342 foreign investors totaling 829.3 million USD.

Some 37 countries and territories pumped capital into the southern city in the January-March period./.

### 3. Ministry implements procedures for EVFTA ratification

The Ministry of Industry and Trade has been coordinating with relevant ministries and departments to complete all necessary procedures for the ratification of the EU-Vietnam Free Trade Agreement (EVFTA).

According to the ministry, the European Council on March 30 passed a decision to ratify the EVFTA, which was approved by the European Parliament on February 12.

This decision is the final legal step under the EU's internal approval procedure, which is expected to pave way for the deal to come into force, the ministry said.

Once ratified by the Vietnamese National Assembly in May this year, the deal will officially take effect, it added.

Under the agreement, Vietnam will cut 65 percent of import tax on EU commodities right after the deal takes effect, while the rest will be erased over a 10-year period. Meanwhile, the EU will cut more than 70 percent of tariffs on Vietnam's commodities right after the deal takes effect, while the rest will be abolished in the seven subsequent years./.

### 4. Ministry of Finance asks insurers not to sell COVID-19-related products

This request, issued late on March 31, includes life and non-life insurance in compliance with the Prime Minister's Directive No 16/CT-TTg on urgent measures to prevent and fight the disease.

The directive "requests insurance businesses not to introduce or launch products related to COVID-19", the ministry said, and asked firms to strictly adhere to the directive throughout their networks, while refraining from the use of images of COVID-19 to offer insurance packages.

Many insurers had recently launched a number of insurance packages covering the deadly virus with attractive costs and benefits. Some business also teamed up with commercial banks to launch anti-COVID products.

However, there has also been public discontent because some people are not eligible to buy insurance.

After the request, VASS Assurance Corporation announced it was halting its Corona Care products from April 1 nationwide.

In a letter to customers on March 31, the company said for customers who had purchased insurance, it would fulfill all its responsibilities as specified in the contracts and create alternative products for customers.

Other providers such as PVI Insurance Corp, Posts and Telecommunications Insurance, and Military Insurance have also reportedly announced they will cancel sales of anti-COVID products, but pledged to fulfill their commitments to customers who have already purchased packages.

## 5. HCM City exports increase 7.5 per cent in first quarter

But revenues from exports of agro-forestry-fishery products fell due to lower prices.

Agricultural exports fell by 3.2 per cent to \$860 million, with coffee shipments reducing by 11.1 per cent to \$143.2 million, and rubber shipments by more than 37 per cent to \$85.5 million.

Forestry exports were worth \$132.6 million, down 8.9 per cent, and fisheries exports declined by nearly a fifth to \$188.3 million.

Industrial products accounted for 78.4 per cent of the city's exports.

They were worth \$6.76 billion, as exports of computers, electronic products and accessories increased by 35.3 per cent to \$3.59 billion.

Textile and garment exports fell 11.3 per cent to \$1.17 billion.

China remained the largest export market, buying goods worth more than \$ 2.15 billion, a 31.6 per cent increase and accounting for 23.4 per cent of total exports.

The second largest market was the US, buying exports of more than \$1.58 billion, up 5.9 per cent.

## 6. Vietnam plans 10% electricity price cut to support virus-hit consumers

The Ministry of Industry and Trade has submitted the price cut plan, scheduled to take place immediately, to the prime minister for approval, the official Vietnam News Agency (VNA) reported.

Hospitals treating virus patients and quarantine camps would be provided with free electricity, it added. (Reporting by Khanh Vu Editing by James Pearson and Andrew Heavens).

## Corporate News

### 7. DPM: Explanation for 2019 audited financial statements

↑ 6.99%

Petrovietnam Fertilizer And Chemicals Corporation (DPM) has explained the audited financial statements in 2019 as follows:

Content	2019	2018	Difference
Separate profit after tax	370,429,943,631	715,204,873,579	-344,774,929,948
Consolidated profit after tax	388,859,871,659	712,474,200,714	-323,614,329,055

The separate and consolidated profit after tax of 2019 decreased compared to the same period of last year. Because the first six months of 2019, the company stopped the machinery to maintain, so the company's production and business activities

decreased compared to the same period of last year. However, the company still paid fixed expenses in the period, and the company had to account for the loan interest expenses for the project in 2019, leading to a decrease of profit.

### 8. LGC: LGC asks for a delay in the disclosure of financial statements

↓ -0.90%

On March 30, 2020, the Hochiminh Stock Exchange received an official document dated March 27, 2020 by CII Bridges and Roads Investment Joint Stock Company (HOSE: LGC). Accordingly, LGC asked for permission to delay in

the disclosure of the 2019 audited financial statements within 100 days from the last day of fiscal year. However, the request of LGC will be considered by the State Securities Commission

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