



# VIETNAM DAILY NEWS

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## Market Analysis

### 1. VN stocks gain slower on profit-taking

Growth softened on the Vietnamese market on Monday as investors sought profits in some large-cap stocks while retailers, financials and energy firms benefited from strong purchasing power.

The benchmark VN-Index on the Ho Chi Minh Stock Exchange gained 1.04 per cent to end at 765.79 points after having increased as much as 2.20 per cent in the morning session.

The VN-Index rose a total of nearly 8 per cent last week.

The HNX-Index on the Ha Noi Stock Exchange was up 0.92 per cent to close at 107.16 points to record an eight-day rally of total 15.7 per cent since April 1.

Nearly 277 million shares were traded on the two local exchanges, worth VND4.76 trillion (US\$203.87 million). The total figure included 236 million shares being traded via matched orders, worth VND3.44 trillion.

The market was driven by large-cap stocks as the large-cap tracker VN30-Index rose 1.53 per cent to 706.37 points. But not all 30 largest stocks by market value and trading liquidity in the VN30 basket advanced.

At the end of the day, the large-cap basket had 21 gaining stocks and five decliners while four ended flat.

The fall of the five large-caps, which were consumer firm Masan (MSN), SSI Securities Corp (SSI), petrol company Petrolimex (PLX), FLC Faros Construction (ROS) and dairy producer Vinamilk (VNM), was attributed to increased selling pressure.

Among those large-caps, MSN shares tumbled 3.5 per cent after having soared a total of nearly 23 per cent in the previous seven days.

SSI shares slipped 1.1 per cent to mark their first declining day after they had gained a total of 34.2 per cent since March 31.

Meanwhile, Petrolimex shares shed 1 per cent and Vinamilk shares edged down 0.5 per cent.

Strong gains in shares of VPBank (VPB), real estate firm Vincom Retail (VRE), aviation company Vietjet (VJC), retailer Mobile World Investment (MWG), Techcombank (TCB) and Military Bank (MBB) boosted the market.

Positive trade of oil prices in the Asian window also helped cushion the market confidence in energy stocks such as PetroVietnam Gas (GAS) and PetroVietnam Drilling and Well Services (PVD), which advanced 1.3 per cent and 6.1 per cent, respectively.

The market was kept rallying on Monday but the fact of declining liquidity means investors are becoming more cautious with the short-term peak of 770 points, Sai Gon-Ha Noi Securities Co (SHS) said in its daily report.

Foreign investors continuing to net-sell VND260 billion worth of shares on Monday is something that should be concerning at the moment, SHS said.

Technical indicators show investors are preparing for a short correction stage on the market in coming days after the market has rallied in 11 of the last 13 trading days, the company added.

## Macro & Policies

### 2. PouYuen Vietnam to suspend business tomorrow

The HCMC chairman, Nguyen Thanh Phong, reported the suspension to Prime Minister Nguyen Xuan Phuc at a web conference held this afternoon, April 13, on Covid-19 infection prevention and control.

The move came after the HCMC Health Department inspected PouYuen Vietnam and found that the company had failed to comply with public health directives and other safety requirements to stem the spread of Covid-19, the disease caused by the new coronavirus.

All workers at the firm have had their body temperatures checked and must wear face masks while they are at work. However, its stevedores and those leaving the firm's factories were not wearing masks.

PouYuen has also not reduced its staff of shift workers. Large gatherings were still recorded at the entrance to the firm, and employees failed to keep a minimum distance of two meters between them.

Following the inspection results and proposals of the competent agencies, the city decided to order PouYuen Vietnam to halt operations in an effort to protect the health and safety of the workers amid the escalating epidemic, Phong reported.

Addressing the conference, PM Phuc said the city would consider allowing the firm to resume operations if it strictly follows the prevailing regulations and social distancing measures.

### 3. Local fuel prices cut for seventh consecutive time

Gasoline RON95 fell by VND613 per liter to the new ceiling price of VND11,939, while bio-fuel E5 RON92 dropped by VND621 per liter to VND11,343, the local media reported.

The prices of diesel oil 0.05S, kerosene and heavy fuel oil were lowered by VND436, VND502 and VND126 per liter or kilogram and are sold at less than VND10,823, VND8,639 and VND9,327, respectively.

Also, local fuel traders were told to extract VND1,400 for each liter of RON95 petrol, kerosene and diesel oil sold to replenish the national fuel

price stabilization fund. The extraction levels for each liter or kilogram of E5 RON92 and heavy fuel oil are VND400 and VND200, respectively.

Meanwhile, the two ministries ordered fuel traders to continue avoiding the use of the fund.

The reduction was aimed at easing the burden on residents and businesses struggling with the financial hardship caused by the coronavirus pandemic, according to the two ministries.

### 4. Traders struggle with customs procedures in resuming rice exports

Prime Minister Nguyen Xuan Phuc on April 10 approved the resumption after a short suspension, permitting a volume of 400,000 tons of rice to be exported this month. Following this decision, the Ministry of Industry and Trade said on same day that it would open the online customs system for rice export registration on April 11.

However, Nguyen Van Thanh, director of Phuoc Thanh IV Trading-Production Co., Ltd, noted that many rice exporters had difficulty logging into the online system on April 11.

On April 12, they learned that the online customs system had opened for registration early in the

morning that day and that all 400,000 tons of rice from the quota had already been assigned.

“The opening of the online customs system for rice export registration early in the morning caused many rice exporters to miss the opportunity, and many will face serious trouble as their rice inventories remain stockpiled at ports,” he remarked.

According to Nguyen Minh Toai, director of the Can Tho City Department of Industry and Trade, traders in the city have nearly 10,000 tons of rice waiting for export at ports, with costs for rice

storage and related services amounting to billions of Vietnam dong.

Dinh Ngoc Thang, head of the HCMC Customs Department, pointed out that the Ministry of Trade's decision on the rice export quota was issued over the weekend (Friday, April 10), so the Ministry of Finance and the General Department of Vietnam Customs were expected to provide rice export guidance to local customs departments no sooner than today, April 13.

“When the HCMC Customs Department receives the detailed guidance, we will create the best conditions for traders to export rice,” he said.

## 5. HCMC labor demand to fall one-third in Q2

Human resources demand will fall primarily in the fields of medicine, healthcare, food production, and online services, according to a report by the Ho Chi Minh City Center for Human Resources Forecasting and Labor Market Information (FALMI).

The city is likely to have a large demand for new staff in e-commerce, programming, web-design, game design, fintech, online entertainment, as well as office administration and delivery services, the report said.

It said labor demand in services, construction, maintenance and other support services in industrial sectors will most likely transition to short-term temporary positions, replacing permanent positions that are being cut down as a result of the epidemic.

The report also said that demand for educated people will account for 81 percent of the new positions. Up to 19.5 percent of the new positions will require a university degree or higher-level education, 18.21 percent, at least college education, 19.58 percent, at least high school education, and 23.71 percent, primary education.

FALMI director Tran Thi Thanh Truc said if the Covid-19 epidemic drags out, HCMC businesses

will face a shortage of raw materials, difficulties in reducing inventory, and some will have to temporarily suspend recruitment plans or downsize as a result.

Currently, large businesses and labor-intensive enterprises are trying to maintain normal operations, but many only have raw materials to produce up until mid-April, she said.

Labor demand had already fallen in the first quarter by 23.7 percent year-on-year to 65,430 positions, the FALMI report said.

Truc said that the labor market had stayed busy in January for Lunar New Year, but demand dipped in February and March as a result of the epidemic, mostly hitting sectors such as transport, education, accommodation, tourism, textiles, and footwear.

To combat the economic effects of Covid-19, the government has directed banks nationwide to provide VND285 trillion (\$12.1 billion) worth of credit to businesses affected by the pandemic.

It also plans to use VND61.6 trillion (\$2.6 billion) from its funds to support businesses and workers who lose their jobs.

## 6. Businesses cannot access billion-dollar credit package from fearful banks

Since the food and beverage industry is severely affected by the pandemic, restaurant chain operator Chao Do (Red Wok) is entitled to borrow from the government-mandated package, but its application was rejected.

The bank it approached asked it for proof of cash flows and solvency, but since all 14 outlets of its Wrap & Roll chain in Hanoi and HCMC are closed, this is not possible.

"We are suffering from severe financial damage, but to get the credit we had to provide collateral or prove our cash flows, which are very difficult for us at this time," a company spokesperson said.

Other businesses in the food and beverage industry also said since their outlets are closed, their revenues have fallen sharply and therefore they cannot prove their solvency to banks.

The government ordered banks to provide VND300 trillion (\$12.9 billion) worth of credit at low interest rates to businesses affected by the pandemic, but banks fear they will not get the money back after the pandemic is over.

More than 10 banks are committed to lending at interest rates reduced by 0.5-2.5 percentage points. As of April 10 almost VND126 trillion (\$5.4 billion), or 42 percent of the amount, has been lent to 6,500 borrowers, according to the State Bank of Vietnam.

A fashion business owner in Hanoi has been struggling to borrow because he mostly leases real estate and revenues are almost zero because his stores are closed.

"Credit package with low interest sounds attractive, but how many businesses in difficulty can access it?"

Nguyen Manh Hung, chairman of fruit grower and processor Nafoods, said after a bank recently rejected his application for a loan, he had to borrow from other sources at higher interest rates.

Chairman of tech giant FPT, Truong Gia Binh, said "the rich" are getting most of the credit because banks consider lending to smaller businesses risky since the pandemic situation remains unpredictable.

A recent report by the Ministry of Industry and Trade admitted that most businesses in manufacturing are struggling to access the credit.

The ministry said that the State Bank of Vietnam has let banks decide who to lend to. Since they are bound by their revenue and profit targets, they are wary of supporting businesses that are suffering.

Nguyen Quoc Hung, director of the central bank's credit department, said banks cannot lend without conditions because they themselves are businesses and have to ensure debts are recovered.

A deputy director of a state-owned bank said banks are the ones to take all the risks since businesses could go under.

The Ministry of Industry and Trade has urged the government to instruct banks to simplify credit conditions for affected businesses.

The owner of a food and beverage chain said: "Credit from banks is like ventilators; they become more important as business health deteriorates."

## Corporate News

### 7. VIC: Record date to collect shareholders' opinion in writing

↑ 1.05%

On April 10, 2020, the Hochiminh Stock Exchange issued Announcement No.593/TB-SGDHCM about the record date of VINGROUP Joint Stock Company as follows:

- Ex-right date: April 24, 2020
- Record date: April 27, 2020

Reason & purpose: to collect shareholders' opinion in writing and to hold the Annual General Meeting 2020.

Content:

- Exercise ratio: 01 share – 01 voting right
- Meeting time: Notice later
- Meeting venue: Notice later.

### 8. STB: Record date to collect shareholders' opinion in writing

↑ 0.33%

On April 10, 2020, the Hochiminh Stock Exchange issued Announcement No.590/TB-SGDHCM about the record date of Sai Gon Thuong Tin Commercial Joint Stock Bank as follows:

- Ex-right date: April 24, 2020
- Record date: April 27, 2020

1. Reason & purpose:

- To collect shareholders' opinion in writing;
- To approve the holding of Annual General Meeting 2019 in form of the online.

2. Content:

a. To collect shareholders' opinion in writing:

- Exercise ratio: 01 share – 01 voting right
- Time of implementation: expected in April 2020

- Address: 266-268 Nam Ky Khoi Nghia, ward 8, district 3, Hochiminh.

- Content:

- Approving the regulation of holding the Annual General Meeting in form of the online and electronic voting;
- Approving the holding of Annual General Meeting 2019 in form of the online;
- Approving the draft of the Resolution to collect shareholders' opinion in writing.

b. To hold the Annual General Meeting 2019 in form of the online:

- Exercise ratio: 01 share – 01 voting right
- Meeting time: expected in June 05, 2020
- Address: 266-268 Nam Ky Khoi Nghia, ward 8, district 3, Hochiminh

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