



VIETNAM DAILY NEWS

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Market Analysis

1. VN-Index up for third straight session

The VN-Index closed up 1.28 percent at 777.22 points Wednesday with most blue chips gaining alongside a dominant majority of HoSE stocks.

263 stocks gained and just 100 lost on the Ho Chi Minh Stock Exchange (HoSE), on which the VN-Index is based. Total transaction volume rose 10 percent over the previous session, to VND4.64 trillion (\$197.58 million) of which 73 percent was order-matched.

The VN-Index climbed steadily over the course of day, peaking at 779.5 points before falling back at the end of the session.

Foreign selling pressure showed no signs of abating with overseas investors offloading a net VND160 billion (\$6.81 million) worth of HoSE-listed stocks, the 12th consecutive session they have been net sellers. Since mid-February, only one session recorded a net buy from foreign investors.

The VN30-Index for HoSE's 30 biggest market caps added 1.26 percent, with 22 stocks in the green and five in the red.

CTD of construction giant Coteccons topped gains this session with 7 percent, its ceiling price. It was followed by SAB of Vietnam's biggest brewer Sabeco, up 6.7 percent, and STB of private lender Sacombank with 5.9 percent.

SAB in particular, seems to be having a resurgence, gaining in 14 out of its last 16 sessions, having risen from VND115,500 (\$4.92) on March 25 to VND143,400 (\$6.11) Wednesday, a 24 percent gain.

The stock had continuously tumbled since early January, when a new regulation imposed by the government doubling drink driving fines came into effect. SAB was trading at VND223,830 (\$9.53) per share when the stock market re-opened on January 2 after the New Year break.

All banking sector stocks but one gained this session, with the best performing tickers being CTG of major state-owned lender VietinBank, up 3.4 percent, HDB of private HDBank, up 3.2 percent, and MBB of state-owned mid-sized lender Military Bank, up 2.8 percent.

Other major gainers included BVH of insurance giant Bao Viet Group, which added 5.2 percent, ROS of real estate developer FLC Faros, with 4.2 percent, and PNJ of jewelry retailer Phu Nhuan Jewelry with 3 percent.

In the opposite direction, VJC of budget carrier Vietjet Air topped losses with 1.8 percent, followed by GAS of state-owned energy giant PetroVietnam Gas, with 0.6 percent.

VHM of real estate developer Vinhomes and VRE of mall operator Vincom Retail lost 0.3 percent and 0.4 percent, respectively. Both are subsidiaries of Vietnam's biggest private conglomerate Vingroup, whose VIC stocks added 0.4 percent this session.

Meanwhile, the HNX-Index for stocks on the Hanoi Stock Exchange, home to mid and small caps, rose 1.1 percent, and the UPCoM-Index for stocks on the Unlisted Public Companies Market added 1.44 percent.

Macro & Policies

2. Transport Minister: North-South Expressway to be put out to bid

The Ministry of Transport will put component projects of the North-South Expressway out to bid, Minister Nguyen Van The told the Vietnam News Agency on April 14.

According to the plan on developing Vietnam's expressway network to 2020 with vision to 2030, the North-South Expressway is to be 2,109 km long and stretch from the northern mountainous province of Lang Son to the southernmost province of Ca Mau.

It comprises 11 sub-projects, with three set to be funded by the State budget and the remaining eight implemented under the public-private partnership (PPP) format.

However, the eight PPP sub-projects have received Government approval to be converted into the public investment model.

The transformation aims to optimise undisbursed public investment capital and complete the project within the timetable set by the National Assembly.

Nguyen Van Thanh, former Chairman of the Vietnam Automobile Transportation Association, said component projects must be put up for open tender and be in line with the law in order to avoid any public doubt or risk for both decision-makers and project managers and must also ensure business competitiveness.

Thanh's views were echoed by Dr. Tran Chung, Chairman of the Vietnam Association of Road Traffic Investors, who supports the bid option.

Military enterprises should be given priority to take over essential projects in sections that have major national security and defence implications.

Vu Duc Nhan, Deputy General Director of the Phuong Thanh Company, said that either appointing contractors or selecting them through a bidding process has advantages and disadvantages. Under either, he added, the top priority should be transparency.

Selection must be based on businesses' financial, human, and technological resources, among other matters, in particular their experience in expressway construction, he said.

The appointment of contractors under the defence ministry should only be done for certain sections, he added, suggesting a bidding process for the remainder so that all enterprises can take part.

The Cienco 4 Group has proposed the Ministry of Transport appoint it as contractor or investor of the section running from Thanh Hoa province to Ha Tinh province in the north-central region, as the company has already invested in the Nghi Son (Thanh Hoa) - Cau Giat (Nghe An) section of National Highway 1A under the build-operate-transfer (BOT) model.

Minister The held a video conference with representatives from 13 cities and provinces on April 14 regarding site clearance along the entire North-South Expressway.

He said that up to 70 percent of site clearance work in the 11 component projects has been completed to date. The work must be fully completed prior to June so that construction can begin in August, he added, urging the ministry and localities to take drastic action in this regard./.

3. US and Viet Nam sign \$42 million deal to strengthen bilateral partnership

USAID technical assistance activities under this agreement will enhance the capacity of Vietnamese small and growing businesses, including those led by vulnerable populations, by

facilitating access to competitiveness-enhancing technology, business management skills, and capital.

The agreement will also foster greater entrepreneurship; enable deeper linkages of Vietnamese start-ups to corporations, investment capital, and other supporting organisations in the international innovation and startup ecosystems; and strengthen high-quality human capital needed for a robust knowledge-based economy.

Speaking at the signing ceremony, US Ambassador to Viet Nam Daniel J. Kritenbrink said this

agreement reflects the US' continued commitment to support Viet Nam's efforts to become a more open, innovative and inclusive economy.

“Through close collaboration with the Government of Viet Nam, we can ensure that USAID's development assistance will meet our two countries' mutual vision for a prosperous and independent Viet Nam,” he said.

4. Vietnam PM approves customs cooperation agreement with US

Prime Minister Nguyen Xuan Phuc has signed a resolution approving the Customs Mutual Assistance Agreement (CMAA) between Vietnam and the US which aims to further strengthen bilateral cooperation on security and the facilitation of lawful trade.

CMAAs are bilateral agreements between countries that are enforced by their respective customs administrations. They provide the legal framework for the exchange of information and evidence to assist countries in the enforcement of customs laws, including duty evasion, trafficking, proliferation, money laundering and terrorism-related activities. CMAAs also serve as foundational documents for subsequent information sharing arrangements.

More importantly, the agreement would protect lawful rights of the business communities in Vietnam and the US, promoting greater trade relations.

US Deputy Chief of Mission in Vietnam Caryn McClelland and Vietnamese Vice Minister of

Finance Vu Thi Mai previously signed the CMAA in Hanoi last December.

At the ceremony, Mai said the agreement would help customs authorities in the two countries timely identify trade fraud activities, which is a significant issue amid growing trade relations between the two countries.

Meanwhile, the establishment of communication channel under the agreement is instrumental in the fight against trade frauds and illegal transshipment, preventing losses to state revenue and ensuring fair and safe business environments, Mai added.

Trade between the two countries in the 2010 – 2019 period grew by an average of 16.3% annually, in which Vietnam's export growth to the US was over 16% per year and imports rose 16.5%.

The US continues to be Vietnam's largest export market and the third largest trading partner, Mai said.

5. Vietnam gov't to look into Mobile Money project this month

The State Bank of Vietnam (SBV), the country's central bank, will submit the Mobile Money project to the government by the end of this month after completing the pilot scheme allowing online purchases with mobile devices.

In early March, Prime Minister Nguyen Xuan Phuc requested the SBV to immediately report the results of the pilot direct carrier billing service,

considering it an urgent task and solution to remove difficulties for production and business in order to ensure social security in response to the Covid-19 pandemic.

The draft of the decree on cashless payment, set to replace Decree No.101/2012, provides regulations on paying agent activities. Banks are requested to allow agents to provide payment services such as

deposit/withdrawal of cash and bill payment. This regulation is expected to boost the development of mobile money.

The direct carrier billing service aims at serving people in remote areas, especially in places where banking services are not available, and boosting cashless payments activities.

Statistics from the BIDV Training and Research Institute shows that 90 countries are providing the direct carrier billing service with nearly 870 million subscribers and 272 apps. Average daily transaction is valued at US\$1.3 billion and over one million remain active for at least 90 days.

The Consumer Insights Survey released last April by PwC showed the number of people making mobile payments in stores is growing faster in Vietnam than elsewhere in Southeast Asia. The percentage of consumers in Vietnam using mobile payments increased to 61% in 2019, up from 37% in 2018.

Despite many advantages, mobile money has some risks, such as personal data theft, interruption of mobile services leading to non-payment, money laundering, gambling, among others.

6. Vietnam 2020 GDP growth forecast to stay ahead regional peers at 2.7%: IMF

Vietnam's GDP growth is forecast to decelerate to a new low of 2.7% in 2020, but would remain ahead of regional peers, according to the

International Monetary Fund (IMF)'s latest update in its World Economic Outlook in April.

Annex Table 1.1.2. Asian and Pacific Economies: Real GDP, Consumer Prices, Current Account Balance, and Unemployment
(Annual percent change, unless noted otherwise)

	Real GDP			Consumer Prices ¹			Current Account Balance ²			Unemployment ³		
	2019	Projections 2020	Projections 2021	2019	Projections 2020	Projections 2021	2019	Projections 2020	Projections 2021	2019	Projections 2020	Projections 2021
Asia	4.6	0.0	7.6	2.7	2.5	2.5	1.8	1.0	1.2	...	...	...
Advanced Asia	1.2	-4.5	3.8	0.7	0.5	0.8	4.3	2.9	3.0	3.1	4.1	3.7
Japan	0.7	-5.2	3.0	0.5	0.2	0.4	3.6	1.7	1.9	2.4	3.0	2.3
Korea	2.0	-1.2	3.4	0.4	0.3	0.4	3.7	4.9	4.8	3.8	4.5	4.5
Australia	1.8	-6.7	6.1	1.6	1.4	1.8	0.5	-0.6	-1.8	5.2	7.6	8.9
Taiwan Province of China	2.7	-4.0	3.5	0.5	0.5	1.5	10.5	8.2	8.3	3.8	4.4	4.0
Singapore	0.7	-3.5	3.0	0.6	-0.2	0.5	17.0	14.8	15.7	2.3	2.5	2.4
Hong Kong SAR	-1.2	-4.8	3.9	2.9	2.0	2.5	6.2	6.0	5.0	3.0	4.5	3.9
New Zealand	2.2	-7.2	5.9	1.6	1.2	1.4	-3.0	-4.5	-3.2	4.1	9.2	6.8
Macao SAR	-4.7	-29.6	32.0	2.8	2.0	2.3	34.8	13.1	30.0	1.7	2.0	1.8
Emerging and Developing Asia	5.5	1.0	8.5	3.2	3.0	2.9	0.6	0.1	0.5	...	...	...
China	6.1	1.2	9.2	2.9	3.0	2.6	1.0	0.5	1.0	3.6	4.3	3.8
India ⁴	4.2	1.9	7.4	4.5	3.3	3.6	-1.1	-0.6	-1.4	...	...	...
ASEAN-5	4.8	-0.6	7.8	2.1	1.8	2.7	1.2	-0.5	0.1	...	...	...
Indonesia	5.0	0.5	8.2	2.8	2.9	2.9	-2.7	-3.2	-2.7	5.3	7.5	6.0
Thailand	2.4	-6.7	6.1	0.7	-1.1	0.6	6.9	5.2	5.6	1.1	1.1	1.1
Malaysia	4.3	-1.7	9.0	0.7	0.1	2.8	3.3	-0.1	1.7	3.3	4.9	3.4
Philippines	5.9	0.6	7.6	2.5	1.7	2.9	-0.1	-2.3	-2.2	5.1	6.2	5.3
Vietnam	7.0	2.7	7.0	2.8	3.2	3.9	4.0	0.7	1.0	2.2	...	...
Other Emerging and Developing Asia⁵	6.3	1.2	7.5	5.6	5.3	5.3	-2.6	-3.7	-2.3	...	...	...
Memorandum												
Emerging Asia⁶	5.4	1.0	8.5	3.2	2.9	2.8	0.7	0.3	0.6	...	...	...

Source: IMF staff.

The country's consumer price index is set to hit 3.2%, lower than the 4% growth target this year. Its economy could be subject to a strong rebound of 7% GDP growth rate in 2021, the report stated.

Such growth would place Vietnam ahead of neighboring countries such as the Philippines and Indonesia with modest growth rates of 0.6% and

0.5%, respectively. Others like Thailand and Malaysia are bracing for contraction.

Regarding major global economies, the IMF expected the US economy to shrink 5.9%, the worst since 1946. China is projected to grow 1.2%, the lowest in 44 years, and Japan's contraction could be 5.2%, the lowest in 11 years.

The outlook is even more gloomy for European countries, as Italy is subject to the deepest contraction of 9.1%, followed by Germany with 7% and Britain with 6.5%.

Meanwhile, IMF's April World Economic Outlook projected global growth in 2020 to fall to 3%, a significant downgrade of 6.3 percentage points from January 2020, making this current Covid-19 crisis "the worst recession since the Great Depression, and far worse than the Global Financial Crisis," stressed Gita Gopinath, IMF Economic Counsellor.

For the first time since the Great Depression both advanced economies and emerging market and developing economies are in recession, Gopinath added.

Growth in advanced economies is projected at -6.1% this year. Emerging market and developing economies with normal growth levels well above advanced economies are also projected to have negative growth rate of -1% in 2020.

Assuming the pandemic fades in the second half of 2020 and that policy actions taken around the world are effective in preventing widespread firm bankruptcies, extended job losses, and system-wide financial strains, the IMF projected global growth in 2021 to rebound to 5.8%.

The Asian region would serve as a driving force for global economic recovery in 2021 with China coming strong at a 9.2% GDP growth rate, India with 7.4% and the ASEAN-5 (Indonesia, Malaysia, the Philippines, Thailand and Vietnam) recording an average growth rate of 7.8%.

Corporate News

7. VSH: VSH to adjust the number of bond issues for 2019

↑ 1.19%

According to Board Resolution No.644/NQ-HDQT dated April 10, 2020, the Board of Directors of Vinh Son - Song Hinh Hydropower Joint Stock Company decided to adjust the number of bond issues for 2019 as follows:

- The bonds will be issued in 05 phases:

Phase 1: October 01, 2019 (completed)

Phase 2: November 08, 2019 (completed)

Phase 3: December 27, 2019 (completed)

Phase 4 and 5: in 2020, expected in Quarter 2 of 2020

- Bond code: VSH_BOND_2019_1,2,3,4,5 (respectively for each phase).

8. TMS: Notice of cancellation of the record date for annual general meeting

↑ 3.47%

Based on the announcement dated March 09, 2020 by Transimex Corporation, the Vietnam Securities Depository recorded a shareholder list for the 2019-2020 Annual General Meeting of Transimex with the record date of March 25, 2020.

However, in accordance with Board Resolution No.22 dated April 08, 2020 on the postponement

of the 2019-2020 Annual General Meeting, Transimex would like to suggest that the Vietnam Securities Depository cancel the shareholder list above in order to determine another list due to the situation of the Covid-19 pandemic and to strictly comply with the Prime Minister's instructions on restricting the crowded events.

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