



# VIETNAM DAILY NEWS

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## Market Analysis

### 1. VN-Index posts fourth straight gaining session

The VN-Index added 3.48 points, or 0.45 percent to close Thursday at 780.70 points, with Vietjet Air and Sabeco shares carrying the day.

The Ho Chi Minh Stock Exchange (HoSE), on which the VN-Index is based, saw 185 stocks gain and 172 lose. Total trading volume plunged nearly 15 percent over the previous session to VND4 trillion (\$170.34 million), of which 75 percent were order-matched transactions.

The VN-Index had fallen to 770 points in the first hour of trading, then peaked at 781 points in the afternoon before settling at 780.70 points at the end.

The VN30 for HoSE's 30 biggest market caps added 0.39 percent, with 15 gainers and eight losers.

VJC of budget carrier Vietjet Air and SAB of major brewer Sabeco were two of the biggest gainers this session, surging 4.7 percent and 3 percent respectively. They also had the biggest impact on the VN-Index given their large market caps, adding 1.36 points to it, according to data from brokerage firm VNDIRECT.

SAB in particular, seems to be enjoying a resurgence, gaining in 15 out of the last 17 sessions. It rose from VND115,500 (\$4.92) on March 25 to VND157,600 (\$6.71) Thursday, a 24 percent gain.

The stock had continuously tumbled since early January, when a new regulation doubling drink driving fines took effect. SAB was trading at VND223,830 (\$9.55) per share when the stock market re-opened on January 2 after the New Year break.

CTD of construction giant Cotecons topped percentage gains this session, rising 4.8 percent, and after VJC and SAB, was followed by PLX of petroleum distributor Petrolimex, up 2.8 percent,

and HDB of private lender HDBank, up 1.5 percent.

Banking sector stocks saw mixed results this session. In the group of three of Vietnam's biggest state-owned lenders by assets, VCB of Vietcombank added 0.4 percent, BID of BDIV kept its opening price, while CTG of VietinBank shed 0.3 percent.

For private banks, all mid-sized in terms of total assets, STB of Sacombank rose 0.4 percent, while EIB of Eximbank, TCB of Techcombank, and VPB of VPBank kept their opening prices.

Leading losses this session were POW shares of PetroVietnam Power, Vietnam's second-biggest electricity generator, which fell 1.2 percent, followed by BVH of insurance giant Bao Viet Group, down 0.7 percent, and REE of appliances maker Refrigerated Electrical Engineering Corp., down 0.6 percent.

VIC of private conglomerate Vingroup, HoSE's biggest cap, edged down 0.1 percent this session, and its subsidiary Vinhomes, under the ticker VHM, fell 0.4 percent.

Notably, GVR of the Vietnam Rubber Group, which is outside the VN30, had the biggest negative impact on the VN-Index this session. The stock fell 3.14 percent, and took away 0.31 points from the benchmark index.

Meanwhile, the HNX-Index for stocks on the Hanoi Stock Exchange, home to mid and small caps, rose 0.38 percent, and the UPCoM-Index for stocks on the Unlisted Public Companies Market edged up 0.05 percent.

Foreign investors were net sellers for the 13th consecutive sessions on all three bourses, for a total of VND215 billion (\$9.17 million) this session. Selling pressure was mostly focused on VIC of Vingroup and VNM of dairy giant Vinamilk.

## Macro & Policies

### 2. Vietnam, China seek ways to push agriculture trade

Minister of Agriculture and Rural Development Nguyen Xuan Cuong held a working session with Chinese Ambassador to Vietnam Xiong Bo in Hanoi on April 16 to discuss ways to facilitate the exchange of agricultural products between the two countries amid the COVID-19 pandemic.

Agro-forestry-fishery trade between Vietnam and China fell about 7 percent year-on-year in the first months of the year.

The tightened control by the neighbouring countries in response to the epidemic slowed down customs procedures, he said, while working trips by delegations from the two agriculture ministries and major trade fairs have both been suspended.

China has allowed nine types of Vietnamese fruit and vegetables to be imported. The two sides are completing the necessary procedures for eight more Vietnamese agricultural products to do likewise.

Cuong used the occasion to call on the Ambassador to help facilitate online procedures so that technical issues are addressed.

He expressed a hope that administrative procedures would be completed as soon as possible so that more Vietnamese agricultural products can be exported to China, thus contributing to enhancing bilateral trade and spurring agricultural development in both countries.

He also proposed the Chinese side extend the opening of its customs offices, which are only five or six hours at certain border gates, and that the two sides invest more human resources in this regard.

Echoing Cuong's views, the Ambassador stressed the need to strictly control the epidemic and at the same time promote trade and economic cooperation.

He said China must still conduct thorough inspections at border gates due to the distinct possibility of the disease spreading.

China's customs sector has adopted many measures to shorten the time needed to complete customs clearance, he explained, suggesting that Vietnam expand cargo parking areas to ease congestion at border gates such as Tan Thanh and Huu Nghi, optimise railway links in this regard, and launch online medical declaration services for drivers.

He also recommended Vietnam and China develop a disease prevention mechanism at the Government level, with the participation of forces from central to grassroots levels.

The two sides also agreed to focus on customs measures to quickly distribute farm produce stuck at border gates./.

### 3. Twelve products may face trade origin fraud investigation: Authority

The Trade Remedies Authority of Vietnam (TRAV) under the Ministry of Industry and Trade has revealed a list of 12 products which are likely to face trade origin fraud or illegal transshipment investigations.

They include plywood made from hardwoods, foam cushions, wood cabinets, artificial stones,

bronze pipes, steel couplers, steel wheels and pre-processed steel.

Gas cylinders, cardboard box staplers for export to the US, truck and coach tyres for EU export, and electric bicycles to the US and EU may also be subjected to investigation.

Those products enjoyed high export revenues in 2019.

Particularly, the revenue from wood cabinets increased to 1.37 billion USD last year from 913 million USD in 2018, a year-on-year surge of 50 percent.

US import of artificial stones from Vietnam expanded 2.5 times to 118.2 million USD in 2019 from 46.3 million USD the previous year.

Meanwhile, Vietnam's export of truck and coach tyres to the EU surged to 69 million EUR (75.03 million USD) in 2019. The country raked in 87.5

million EUR from electric bicycle exports to the EU and 18.6 million USD to the US in 2019.

In addition, investigations and anti-dumping measures have been imposed on similar products in other countries, including China, India and Turkey.

Under the Prime Minister's Decision 824/QD-TTg on issuing the plan to strengthen the management on prevention of evasion of trade defence and origin fraud, the TRAV is responsible for building a system for reporting products involved in trade protection probes./.

#### 4. Asia Coffee: Trade remains frozen in Vietnam amid lockdown easing in some parts

Late on Wednesday, Vietnam's government extended a two-week period of social distancing for 12 provinces in the country, but lifted those measures for most rural areas, including the coffee belt of Central Highlands.

“Although restrictions have been eased here, elsewhere such as Ho Chi Minh City, where the main port is and other big cities in the world, lockdown is still in force and is preventing trading activities from resumption,” a Central Highlands based trader said.

“All of us traders and farmers want trade to resume but the virus is still spreading globally and is disrupting beans shipments,” he added.

Vietnam, the world's top robusta producer, exported 169,981 tonnes or 2.8 million 60-kg bags of coffee, in March, down 2.2% from February, customs data showed.

July robusta coffee settled up \$14, or 1%, at \$1,206 per tonne on Wednesday.

Meanwhile, a trader in Indonesia's Lampung province on Sumatra island said robusta beans are being offered with around \$250 premium to July contract, unchanged from last week. While a second trader said premium fell to \$270 for May through July contracts, compared to \$300-\$350 premium last week.

Both traders said new supply are starting to come in this week, but activities remain light.

#### 5. Argus: Vietnam's March coal imports rise but outlook uncertain

Vietnam imported 4.45 million t of coal in March 2020 – up by 17.2% from March 2019, according to provisional Vietnamese customs data. March's receipts were also higher compared with 3.34 million t in February 2020.

The data does not differentiate between coking coal and thermal coal.

Indonesian coal accounted for the bulk of March's imports, with receipts increasing by 650 140 t

from a year earlier to approximately 2.08 million t. Vietnam's imports from Australia rose by 539 095 t to 1.56 million t, and the country also imported 410 052 t from Russia – down from 720 860 t from a year earlier.

The increase in imports in March was partially due to cargoes bound for India being resold and diverted to Vietnamese buyers. The lockdown in India, which first began on 25 March, has resulted in port disruptions and closures.

India's lockdown has now been extended until 3 May, which has prompted Indonesian buyers to divert cargoes to China and Southeast Asian countries such as Vietnam, as Indian buyers sought deferments as well as the cancellation of orders. This helped to support Vietnam's imports, even as the country announced a partial lockdown to curb the spread of COVID-19.

Vietnam's social distancing curbs, which started on 1 April, could also weigh on electricity generation as well as consumption. But power output rose to 54 TWh in the 1Q20, up from 50.3 TWh in 1Q19, on the back of new capacity, according to the country's general statistics office.

Vietnam's GDP grew by 3.82% during January to March this year, the lowest in recent years. But Hanoi sees the economy being on a fundamentally strong footing, despite the coronavirus-related disruptions, as the country builds 5 year socio-

economic development plan for 2021 - 2025, targeting an average growth rate of 7%/y.

State-owned utility EVN has set a target to increase generated and purchased power output this year by 8.9% compared with 2019 to 251.62 TWh. The company's total power supplies, including its own generation and power that it purchased, reached 231.1 TWh in 2019, an increase of 8.85% from 2018.

Vietnam commissioned 1.2 GW of new coal-fired generation capacity in 2019, which brought its total to 19.2 GW. It is set to bring 2.1 GW online this year and has 3.7 GW of capacity under construction that is scheduled to come online in 2021, as well as another 3.2 GW under construction for launch in 2022. A further 870 MW is planned to come on line in 2022, although construction has not started.

## 6. Việt Nam to stop exporting COVID-19 treatment medicines from April 16

On the morning of April 16, DAV sent a letter to all firms that produce, import and export drugs about temporarily stopping the export of COVID-19 medicines.

DAV said the move was to implement the Prime Minister's instruction in Directive No. 15 / CT-TTg dated March 27, 2020 that mobilises all stakeholders in Việt Nam to join the fight against the pandemic.

On April 10, the Government Office also announced PM Nguyễn Xuân Phúc's instruction that assigned the Ministry of Health to suspend the export of drugs used in the treatment of

COVID-19 to ensure the supply and reserves of preventive and curative medicines for the country.

The administration also clarified 37 types of medicines in the list of drugs used in the treatment of COVID-19. The drugs are used to under the MoH's Decision No. 941 / QD-BYT and Decision No. 1344 / QDD-BYT in March.

DAV said on its website it would announce when the firms can resume exports later.

Since early February, of the total 268 people who have contracted coronavirus, 171 of those have made a full recovery.

## Corporate News

### 7. MBB: BOD resolution on the increase of number of Supervisory Board members

↑ 0.92%

On April 14, 2020, the Board of Directors of Military Commercial Joint Stock Bank issued Resolution No.09 on submitting to the Annual General Meeting 2020 to decide to increase the number of members of the Supervisory Board for the period 2019-2024 as follows:

- The increase of 5 full time members and vote 1 additional member of the Supervisory Board for the period 2019-2024.

- Record date to exercise the right to nominate candidates expected to elected to Supervisory Board members for the period 2019-2024: April 28, 2020
- Time for sending the notice to shareholders to nominate: April 29, 2020
- Time for receiving the nomination file: from April 29, 2020 to 17:00, May 09, 2020.

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

↑ 0.42%

Based on Board Resolution No.170 dated April 03, 2020 by the Board of Directors of Joint Stock Commercial Bank for Foreign Trade of Viet Nam (VCB) and Official Document No.230/CV-DKKD by the Hanoi Department of Planning and Investment on the postponement of the 2019-2020 Annual

General Meeting, VCB would like to announce the cancellation of the record date March 18, 2020 and the shareholder list recorded on March 18, 2020 due to the situation of the Covid-19 pandemic.

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