



# VIETNAM DAILY NEWS

April 22nd, 2020



## Table of content

### Table of content

1. VN-Index plunges after six-session gaining streak
2. More than 56,000 tonnes of rice cleared for customs approval
3. Agricultural firms and cooperatives start selling online amid pandemic
4. Viet Nam News Economy MoIT issues regulations on auction of import tariff quotas on used autos
5. Covid-19 impacts: IT sector bucks trend, offer more jobs
6. Vietnamese believe the country will recover quickly after COVID-19
7. STB: Explanation for separate FS Q1.2020
8. Moody's affirms BIDV's ratings

## Market Analysis

### 1. VN-Index plunges after six-session gaining streak

The VN-Index plummeted 3.54 percent to 766.84 points Tuesday, undoing almost all of its gains in the previous six gaining sessions.

The Ho Chi Minh Stock Exchange (HoSE), on which the VN-Index is based, bled red with 312 tickers losing and just 56 gaining. Of these, 59 tickers fell to their floor price, the lowest they can go in a single session.

Tuesday's session saw the highest volume of shares change hands on HoSE so far this year, worth VND6.07 trillion (\$258.27 million). Of these, VND5.11 trillion (\$217.43 million) came from order-matched transactions, nearly 50 percent higher than the average order-matched liquidity of the past month.

Analysts attribute the surge in liquidity partly to investors placing sell orders to cash in on short-term gains of the previous two weeks, which saw the VN-Index rising in all but two sessions.

They noted that selling pressure was spread evenly over various groups of stocks this session, with the VN30-Index for the market's 30 biggest market caps not accounting for the overwhelming proportion of total trading volume as in most previous sessions.

The VN-Index plunged 1.8 percent within the first 30 minutes of trading this session, with losses led by oil and gas stocks, following news that U.S. oil prices had crashed into the negative for the first time in history.

With the coronavirus pandemic leaving the world with too much oil and not enough storage capacity, traders were paying buyers to take the commodity off their hands, driving the West Texas Intermediate, the US benchmark, as low as -\$40.32 Tuesday morning.

The VN30-Index this session plunged 4.03 percent, with 30 of its stocks in the red, six of which sank to their floor prices.

ROS of real estate developer FLC Faros, the lowest-capped stock on the VN30, and CTD of construction giant Coteccons both led losses with 7 percent.

They were followed by PLX of petroleum distributor Petrolimex, VRE of mall operator Vincom Retail, VPB of private VPBank, and SBT of agricultural firm TTC-Sugar, all of which fell 6.9 percent.

State-owned banks were among the big losers. BID of BIDV, CTG of VietinBank, and VCB of Vietcombank, the country's three biggest lenders by assets, plunged 6.5 percent, 5.3 percent and 0.6 percent respectively, while MBB of mid-sized lender Military Bank also shed 6 percent.

Private banking stocks also lost hard today, with STB of Sacombank and HDB of HDBank both falling 5.9 percent, and TCB of Techcombank dropping 4.8 percent.

Stocks of companies related to national oil and gas group PetroVietnam all ended their gaining streaks. GAS of energy giant PetroVietnam Gas shed 6.2 percent.

Other major losing tickers this session included MWG of electronics retail Mobile World, down 5.8 percent, HPG of leading steelmaker Hoa Phat Group, 4.7 percent and MSN of food conglomerate Masan Group, also down 4.7 percent.

Meanwhile, the HNX-Index for stocks on the Hanoi Stock Exchange, home to mid and small caps, dropped 4.54 percent, and the UPCoM-Index for stocks on the Unlisted Public Companies Market fell 2.77 percent.

Foreign investors were net sellers for the 16th consecutive session on all three bourses for a total of VND247 billion (\$10.51 million), with selling pressure mostly on BID of BIDV and STB of Sacombank.

## Macro & Policies

### 2. More than 56,000 tonnes of rice cleared for customs approval

Earlier this month, Prime Minister Nguyễn Xuân Phúc approved the Ministry of Trade and Industry's proposal to resume rice exports after a few weeks of suspension to make sure the country has sufficient food to cope with the coronavirus pandemic.

According to the department, from April 11-12, local businesses have registered to export 399,999 tonnes of rice.

The department said it has been updating information about the volume of rice exports on its official website at [www.custom.gov.vn](http://www.custom.gov.vn) each hour.

In the first quarter of this year, the country exported about 1.52 million tonnes of rice for US\$700.8 million, up 9 per cent in volume and 16 per cent in value year-on-year, the department's statistics revealed.

### 3. Agricultural firms and cooperatives start selling online amid pandemic

Nguyen Thi Tram, director of Hai Phong Agriculture Import and Export Company in Minh Tan Commune, Luong Tai District, Bac Ninh Province, said: "Partners such as kitchens and school canteens have to close, so our sales were badly reduced. Therefore, promoting online shopping has helped remove some difficulties."

Tram said during the pandemic, people stopped going out, but they still need food, so her clean food items such as cucumbers, carrots and other kinds of vegetables have sold well online.

Similar to Tram's firm, some agriculture cooperatives are also promoting their products online.

The agricultural production cooperative in Cho Moi district, Bac Kan Province, regularly posts their products, such as forest honey, melon and dried noodles, on a Facebook page.

Director of the cooperative Luong Dinh Hung said the online sales channel has helped the

cooperative reach out to many new customers, especially during the pandemic.

Hung said: "Currently, we sell and introduce most of the products via social media and online."

While many firms and cooperatives see online sales as key to survival during the pandemic, it is not easy to sell agricultural products on the web as this requires them to invest in design, packaging and advertising to attract and retain customers.

Nguyen Binh Minh, member of the Vietnam E-Commerce Association, said: "In order to sell online, agricultural products must meet the basic standards of production and preservation, as well as have good proof of origin that makes consumers trust the quality of the products."

Minh also added that delivery services were important to develop online sales.

Minh said online sales were key to help the business grow in a digital economy.

### 4. Viet Nam News Economy MoIT issues regulations on auction of import tariff quotas on used autos

The import tariff quotas on used autos are implemented according to commitments in the Comprehensive and Progressive Agreement for

Trans-Pacific Partnership (CPTPP) that came into effect on January 14, 2019, the ministry said.

The auction of this year is for 66 used automobiles, including 33 cars with engine capacity of over 3,000cu.m and 33 cars with engine capacity of 3,000cu.m or less.

The MoIT will receive registration to participate in the auction from 8pm on April 24.

The enterprises taking part in auctions must have automobile import licences issued by the MoIT. If the enterprises without the licences win the quotas, they could entrust their imports to enterprises with automobile import licences.

Each trader can bid on no more than 33 cars for all kinds of engine capacity at the auction this year, the ministry said.

Results of the auction will be published on the Ministry of Industry and Trade's website, the Công thương (Industry and Trade) newspaper and the Giao thông (Transport) newspaper within 14 days from the auction results.

According to the CPTPP commitments, the number of used cars at the auction of import tariff quotas will increase by six units each year to 150 units in total in 2034.

That total number would be maintained at 150 cars every year from 2035.

## 5. Covid-19 impacts: IT sector bucks trend, offer more jobs

Q1 labor demand in the IT sector increased slightly by 3 percent over Q4 in 2019 and surged by 7 percent year-on-year, according to recruitment firm Navigos Search.

IT recruitment firm TopDev's market report for Q1 also stated that labor demand was not affected much by the pandemic. Some large IT companies in Saigon and Hanoi let all employees work from home without impacting work progress.

Salaries in this sector also did not see much change compared to the last three quarters of last year.

E-commerce is among the sectors with largest Q2 demand for labor in Saigon, in particular for delivery workers, according to the Ho Chi Minh City Center for Human Resources Forecasting and Labor Market Information (FALMI).

Navigos Search has also said that the sector needs junior and senior level personnel in business development and marketing as well as people with technical expertise.

E-commerce businesses are prioritizing recruiting experienced people. These companies are even willing to pay higher salaries than other sectors and this trend is likely to continue for next three to five years, Navigos predicted.

A number of other industries like healthcare, medicine, online customer care and services, marketing and food processing are also expected to post higher employment rates in the second quarter.

Navigos Search said that the industrial real estate sector is looking for personnel for senior positions, notably sales director. It also paints a positive human resources outlook this year for the the energy industry, especially renewable energy.

In the hard-hit tourism industry, businesses are limiting recruitment and candidates are also afraid to seek new opportunities.

The Ho Chi Minh City Tourism Department has said that up to 90 percent of small and medium-sized travel businesses in the city have stopped operations amid the crisis. Some large private enterprises are only maintaining on site personnel.

Currently, many tourism industry employees have taken unpaid leave or earning 20-30 percent of their salary until the pandemic passes. Some office workers and tour guides are looking for seasonal work, notably online sales, to earn an extra income.

The manufacturing industry has stopped recruiting workers despite having the highest

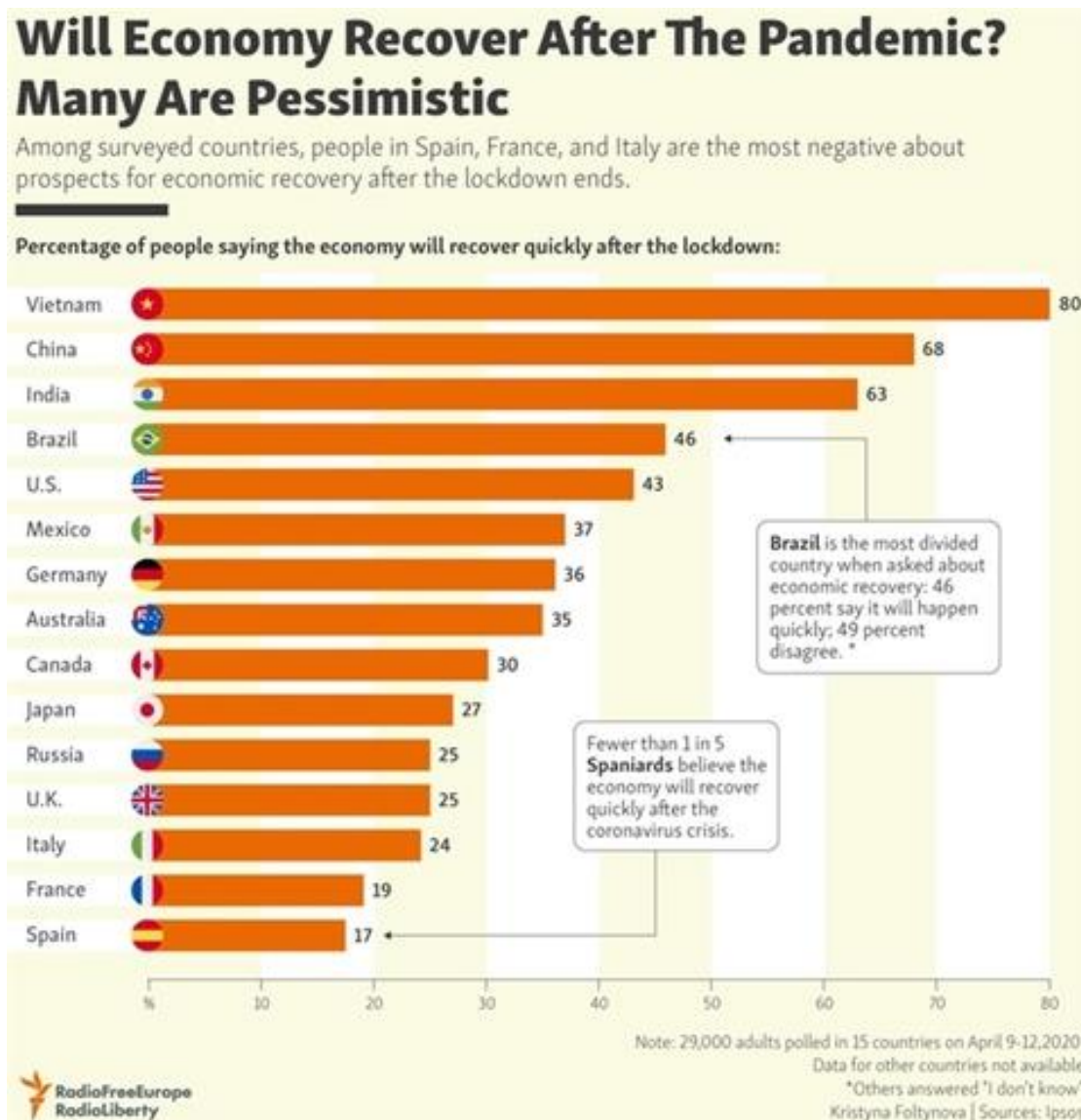
demand for middle and senior personnel in the first quarter of 2020, up 14 percent compared to the fourth quarter of 2019 and up 27 percent over the same period last year.

If the pandemic drags on, some manufacturing companies could stop recruiting and look for other ways to scale-up production due to shortage

of production materials and slow sales, according to FALMI.

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

## 6. Vietnamese believe the country will recover quickly after COVID-19



Eighty per cent of Vietnamese respondents in a survey by multinational market research firm IPSOS believed that the country's economy could

recover quickly after the disruptions caused by the COVID-19 pandemic.



This is the result of an IPSOS survey conducted on April 9 to 12 this year on the Global Advisor online platform among 28,000 adults aged between 16 and 74 in 15 countries.

These include Canada, the US, Australia, Brazil, China, France, Germany, Italy, India, Japan, Mexico, Russia, Spain, Viet Nam and the UK.

Three out of 15 countries polled by IPSOS believed in a quick recovery once the lockdown from the coronavirus pandemic is over.

They are Viet Nam, China (68 per cent) and India (63 per cent).

However, a majority of people in 10 of the 15 countries disagreed that the economy would recover quickly – suggesting a lasting impact.

People in Spain (76 per cent), France (72 per cent), Italy (68 per cent), the UK (67 per cent), Russia and Japan (64 per cent), and Canada (62 per cent) feel most strongly against a quick economic recovery.

At the same time, one of the countries most divided on this question is the world's largest economy – the US with nearly half of those surveyed (49 per cent) disagreeing on a quick recovery, while 43 per cent thought it would happen.

## Corporate News

### 7. STB: Explanation for separate FS Q1.2020

↓ -5.86%

Sai Gon Thuong Tin Commercial Joint Stock Bank has explained the separate financial statement for the first quarter of 2020:

File Attachment

[172430 e-FS-Q1.2020--PV.pdf](#)

### 8. Moody's affirms BIDV's ratings

↓ -6.47%

These are the highest ratings among Vietnamese banks in the context of the economy facing difficulties caused by the COVID-19 pandemic.

Moody's assesses that the bank's capitalisation is strengthened following the external capital raise in 2019, as well as steady improvements in asset quality following the resolution of legacy problem assets and write off of Viet Nam Asset Management Company (VAMC) bonds. Funding is a key strength for BIDV as the bank's deposit base is supported by its extensive branch network and strong relationships with large Vietnamese corporates. Moody's expected a very high probability of support from the Government (Ba3) in times of need.

As of December 31, 2019, BIDV's total assets reached VND1.49 quadrillion, maintaining the leading position among Vietnamese banks. The Vietnamese lender has an extensive network, covering 63 provinces and cities nationwide with 1,060 branches and transaction offices as well as presences in six countries and territories. BIDV has been serving 12 million customers and established partnerships with 2,300 financial institutions around the world.

2020 marks the 15th consecutive year that BIDV has been reviewed by Moody's. BIDV also is the pioneering bank in this field. This confirms BIDV's commitment to financial transparency as well as compliance with international standards.

**Research Team:** Tsugami Shoji    Researcher    [jsi@japan-sec.vn](mailto:jsi@japan-sec.vn)

**Disclaimer:**

*Copyright 2015 Japan Securities Incorporated (JSI). All rights reserved. This report has been prepared on the basis of the information believed to be reliable at the time of publication as provided by StoxPlus (www.stoxplus.com) - An associate company of Nikkei Inc. and QUICK Corp. JSI makes no representation or warranty regarding the completeness and accuracy of such information. This report is provided, for information purposes only and does not constitute an offer or solicitation to buy or sell any securities discussed herein any jurisdiction. Investors must make their investment decisions based upon independent advice subject to their particular financial situation and investment objectives. This report may not be copied, reproduced, published or redistributed by any person for any purpose without the written permission of an authorized representative of JSI.*

***Japan Securities Incorporated – JSI***

Address: 14F, TNR Tower, 54A Nguyen Chi Thanh, Lang Thuong, Dong Da, Hanoi

Tel: (024) 3791 1818                      Fax: (024) 3791 5805

Email: [info@japan-sec.vn](mailto:info@japan-sec.vn)

Website: [www.japan-sec.vn](http://www.japan-sec.vn)