



# VIETNAM DAILY NEWS

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## Market Analysis

### 1. Stocks give up gains, profit-taking takes hold in last minutes

Vietnamese markets picked up a bit in the afternoon session but profit-taking quickly erased gains at the end of the day.

The benchmark VN-Index on the Ho Chi Minh Stock Exchange ended Tuesday at 767.21 points, down 0.46 per cent from the previous day.

The VN-Index lost 0.76 per cent on Monday.

Nearly 219.4 million shares were traded on the southern bourse, worth VND3.66 trillion (US\$156.5 million).

Of the total, more than 197 million shares were sold via the order-matching system, worth VND3.16 trillion.

Large-cap stocks dragged the major market as the large-cap tracker VN30-Index edged down 0.54 per cent to 715.74 points.

Among large-caps that declined were dairy producer Vinamilk (VNM), steel producer Hoa Phat (HPG), brewer Sabeco (SAB), national carrier Vietnam Airlines (HVN), realty firm Vincom Retail (VRE), the Vietnam Rubber Group (GVR), retailer Mobile World Investment (MWG), and PetroVietnam Gas (GAS).

Among those stocks, Vinamilk shares dropped 2.2 per cent, Hoa Phat shares lost 2.5 per cent, Sabeco shares tumbled 5.6 per cent, Vietnam Airlines shares shed 1.7 per cent, Vincom Retail shares were down 3.2 per cent, and PetroVietnam Gas shares lost 2.2 per cent.

On the opposite side, purchases for some bank stocks also helped boost the sector with gains for Vietinbank (CTG), Military Bank (MBB), Vietcombank (VCB) and Techcombank (TCB).

Investors kept running from large-caps into mid-cap and small-cap stocks, boosting the two indices 0.35 per cent and 0.28 per cent, respectively.

The stock market fell for a second day with lower trading liquidity indicating investors were bored with the current market conditions, Sai Gon-Ha Noi Securities Co (SHS) said in its daily report.

“Most of them are standing by and observing the market closely as the market will have the last trading session tomorrow before closing for the national holidays,” SHS said.

The Vietnamese market will be closed on Thursday and Friday – the last two trading days of the week – for the 45th Reunification Day (April 30) and International Labour Day (May 1). The market will re-open next Monday.

Foreign investors kept net-selling local assets and put more pressure on local assets, SHS said.

The VN30 futures ending May was up 1.5 points to finish Wednesday at 694.00 points. It is still 21.74 points lower than the VN30-Index’s close of 715.74 points.

The VN-Index was expected to keep swinging on Thursday and range from 755 points to 790 points, SHS forecast.

On the Ha Noi Stock Exchange, the HNX-Index slid 0.04 per cent to close at 106.26 points.

The northern market index has made a two-day decline of a total of 0.66 per cent.

More than 41.5 million shares were traded on the northern bourse, worth VND308.5 billion.

## Macro & Policies

### 2. Local fuel prices continue to drop

The retail prices of E5 bio-fuel, RON95 gasoline, diesel oil, kerosene and heavy fuel oil slid by VND401, VND308, VND674 and VND882 per liter and VND657 per kilogram, respectively, the local media reported.

Therefore, E5 bio-fuel and RON95-III gasoline now sell for less than VND10,942 and VND11,631 per liter, respectively.

Meanwhile, the respective prices of diesel oil, kerosene and heavy fuel oil are not higher than VND9,941, VND7,965 and VND8,670 per liter or kilogram.

Local fuel traders can extract VND400 for each liter of bio-fuel E5 RON92 sold to replenish the fuel price stabilization fund. The respective extraction rate for each liter or kilogram of RON95 petrol, kerosene, diesel oil and heavy fuel oil sold is VND1,400, VND1,600, VND1,600 and VND500.

The two ministries noted that the fuel price reduction followed the drop in global fuel prices over the past 15 days. Each barrel of RON95 gasoline was priced at US\$19.735, down over US\$1.5 per barrel.

### 3. Opportunity for Vietnam to join global supply of Halal products

Volatility in global supply chains following COVID-19 is both a challenge and an opportunity for Vietnamese businesses to make inroads into the global supply of Halal products, a workshop in Hanoi on April 28 heard.

Cao Thi Thanh Van, Deputy Director of the HCM City Centre for Trade Promotion and Investment, said some businesses have been actively seeking new markets, including the Muslim community.

However, she added, this market has specific standards that Vietnamese firms must study and follow.

Ramlan Osman, Sales Director at the Halal Centre in Vietnam, said there are over 1.8 billion Muslims worldwide in 57 countries and territories and they only consume Halal-certified products.

He added that Vietnam has a lot of advantages in seizing opportunities in the Halal market thanks to the country's abundance of suitable raw materials such as coffee, rice, fisheries, spices, beans, and fruit and vegetables.

Nevertheless, he went on, not many businesses or products from Vietnam have been able to soundly access the market over recent years.

Apart from food, Vietnam also has advantages in products relating to health care, cosmetics of natural origin, handicrafts, household items, and tourism services, he added.

It is estimated that demand among the Muslim community for products found in Vietnam is about 34 billion USD per year. But, in fact, Vietnam's export of such products to this market has reached only 10.5 billion USD, meaning that more than two-thirds of consumer demand, worth 23.6 billion USD, has been missed.

Vietnamese businesses should therefore learn more about the market and identify effective strategies to boost exports, experts have suggested./.

#### 4. White Book 2020: Business sector contributes 60 percent to GDP

The business sector contributed over 60 percent to the gross domestic product (GDP) in 2019, according to the White Book on Vietnamese Businesses released by the General Statistics Office (GSO) in Hanoi on April 28.

In 2019, the country had 758,610 active businesses, 67.1 percent of which operated in the service sector, 31.6 percent in industry and construction, and 1.3 percent in agro-forestry-fishery.

In the year, Vietnam recorded an economic growth of 7.02 percent, marking the second consecutive year with growth of over 7 percent since 2011.

According to business results of enterprises recorded as of December 31, 2018, the number of profitable businesses accounted for 44.1 percent, break-even ones 7.5 percent, and unprofitable ones 48.4 percent./.

#### 5. Policy bottleneck restricts exports of Vietnam medical masks

Current regulations, not production capacity, are making hard for medical face mask manufacturers to export their products although masks are much sought after in other countries, according to Truong Thanh Hoai, director of the Department of Industry under the Ministry of Industry and Trade (MoIT).

Chairman of DANAMECO Medical Joint Stock Corporation (DNM) Le Hai Trong told VnExpress he has to decline dozens of orders for medical face masks every day, due to the ambiguous export policy for this product.

At present, Prime Minister Nguyen Xuan Phuc has approved the export of medical face masks and protective gear, as long as domestic demand and reserves are met.

Companies like DNM are shifting focus on raising production capacity of face masks to meet growing global demand. Trong said so far the company has invested in 100 production lines for medical face masks, which enable DNM to produce up to 7 million medical face masks and one million N95 face masks per day from May 15.

However, these face masks would not be exported until the Ministry of Health (MoH) could buy a total of 60 million face masks for national reserves, which currently stand at 46.1 million.

According to Hoai, the MoH's procurement through direct contracting with prices significantly lower than the market one, is

discouraging face mask manufacturers from selling their products to the ministry for national reserves.

Hoai urged the ministry to exercise competitive bidding to purchase the remaining amount, so that face masks could be exported freely.

The MoH is planning to revise the government's Resolution No.20 regarding conditions for export of medical face masks. The resolution grants export permission to those having sale contracts or those committed to supporting local health facilities at least 20% of the amount intended for export.

The resolution does not apply to companies that produce face masks under contract orders for foreign firms with contract being effective before March 1.

In response to the proposal, the Ministry of Finance (MoF) said such requirements may cost enterprises the opportunity for large export orders.

The MoF said the MoH should focus on buying sufficient amount of face masks for reserves, and give giving permission for export based on the producers' capacity.

Meanwhile, a representative of a medical equipment company said the MoH's cautious approach in setting conditions for medical gear export is understandable, given growing cases of

mass quantity of face masks being confiscated due to low quality.

A tightening of control for face masks export could help made-in-Vietnam face masks avoid the situation that Chinese face masks in Europe have been recalled and returned for low quality.

DNM Chairman Trong added it is more important to control the product quality, instead of limiting export quantity.

At a time when Chinese products are gaining a bad reputation, major Vietnamese companies could grasp this opportunity to replace them in the US and European markets, Trong stressed.

## 6. Phú Thọ to invest VNĐ118b in building tea brand

Despite being among provinces with the largest tea plantation area, Phú Thọ's tea products were not very well-known in the market.

Hải said that the province would reorganise tea processing plants to ensure the association with tea plantation areas together with improving processing technology to improve the product quality.

The effort of trade promotion to expand markets and build a brand for Phú Thọ tea would also be enhanced, Hải said.

Deputy Director of the provincial Department of Agriculture and Rural Development Trần Tú Anh said that to develop a sustainable tea industry, it was critical to build a value chain from tea growers to processing plants and distributors to control product quality.

The provincial Department of Science and Technology was building a project for developing a certified brand for Phú Thọ tea products, which aimed to control the products' origin and quality as well as increasing added value of tea products. The project was expected to be completed this year.

Phú Thọ has more than 16,000 hectares of tea with an estimated output of 184,000 tonnes, more than 30,000 tonnes higher than 2014.

Phú Thọ ranked fourth by tea plantation area and third by output in the country.

Tea was mainly grown in Thanh Ba, Hạ Hòa, Đoan Hùng, Thanh Sơn, Tân Sơn and Yên Lập districts.

Many tea products of Phú Thọ were exported to India, China, Germany, the UK, Pakistan, the US, the Netherlands and Japan.

## 7. Thai firms expanding presence in Vietnam despite COVID-19

Vietnam has remained an attractive destination for Thai enterprises to expand their business despite the COVID-19 pandemic ravaging the region.

Thailand's Delta Electronics PCL, a global producer of power and thermal management products and solutions, earlier this month announced it will establish a new subsidiary in Vietnam in the second or third quarter of this year.

The wholly-owned subsidiary will be incorporated in Vietnam with a charter capital of 500,000 USD,

the company said, and will be involved in trade and solutions using Delta's electronics products to benefit stakeholders and support local customers.

Jackie Chang, President of Delta Electronics, said the pandemic has not forced his company to change its expansion plans in Southeast Asia. "We expect Vietnam to play a key role in driving regional development, and Delta is ready to take an active role in the country's growth story," he said.

The International Monetary Fund (IMF), he added, forecasts that Vietnam will post the highest

growth in ASEAN between 2020 and 2021 despite the impacts of the pandemic and this justifies Delta Electronics' decision to expand its presence in the country.

The country's Super Energy Corporation Company Limited (Super Energy), meanwhile, last month announced a decision to invest approximately 457 million USD in four solar power projects in the southern province of Binh Phuoc.

The corporation said it would pay 72.9 million USD to acquire between 70 and 100 percent of the under-construction Loc Ninh 1, Loc Ninh 2, Loc Ninh 3, and Loc Ninh 4 solar power plants with a total capacity of 750 MW.

The remainder of the funds, 383.8 million USD, will be used to complete construction and develop the projects, which are expected to become operational in December.

It expects a feed-in-tariff (FIT) of 7.09 USD per kW/h over 20 years and revenue of about 66.1 million USD annually from the four projects, starting next year.

The acquisition is a crucial step in the company's plan to expand its business and improve its

financial performance in the long term, said President and CEO Jormsup Lochaya. The economy will recover and demand for electricity will continue to rise, he added, so it decided to make these deals.

The Nikkei Asian Review reported this month that the Siam Cement Group (SCG) of Thailand will acquire Vietnamese packaging manufacturer the Bien Hoa Packaging JSC through a joint venture with leading Japanese cardboard producer Rengo.

Siam Cement said it was attracted by the growth potential of online shopping, as more and more Southeast Asian consumers choose to shop online to limit trips to crowded places as part of preventive measures against the spread of COVID-19.

The deal is estimated to be worth some 635 billion THB (19.2 million USD).

Thailand is currently Vietnam's ninth-largest investor, with 549 projects worth 10.8 billion USD. Investors from the country injected 43.64 million USD into Vietnam in the first quarter of this year./.



## Corporate News

### 8. NKG: Board resolution on share buyback

↓ -0.90%

On April 24, 2020, the Board of Directors of Nam Kim Steel Joint Stock Company approved a share buyback as follows:

- Stock type: common stock
- Par value: VND10,000/share
- Number of treasury shares before trading: 0 shares
- Number of shares expected for buyback: 10,000,000 shares
- Buying price: according to regulations

- Trading time: within 30 days from the beginning date from the date the State Securities Commission approves and the Company announces information according to the laws, expected in Quarter II of 2020.

- Financial resource for buyback: the undistributed earnings and capital surplus.

- Securities agent: Viet Capital Securities Joint Stock Company

- Trading method: order-matching and/or put-through

### 9. BID: Decision by the State Bank of Vietnam

↑ 0.14%

On April 23, 2020, the State Bank of Vietnam issued Decision No.759 to approve other foreign exchange activities of Joint Stock Commercial

Bank For Investment And Development Of Vietnam (BIDV).

### 10.VPB: Disclosure of information on document on collecting shareholders' ballot

Disclosure of information on document on collecting shareholders' ballot of VietNam Prosperity Joint Stock Commercial Bank as follows:

File Attachment

[171428\\_reholders-ballot.pdf](#)

[171429\\_reholders-ballot.pdf](#)

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