



VIETNAM DAILY NEWS

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Market Analysis

1. Blue chips lift VN-Index to sixth straight gaining session

The VN-Index rose 1.79 percent to 828.33 points Monday, with blue chips, especially private banking stocks, driving the market gains.

246 stocks gained while 119 lost on the Ho Chi Minh Stock Exchange (HoSE), on which the VN-Index is based. Liquidity remained high at VND6.25 trillion (\$267 million), far above last month's average trading volume of VND4.2 trillion (\$179.43 million) per session.

The VN30-Index for HoSE's 30 largest caps surged 2.23 percent, with 27 gainers and just two losers.

TCB of private lender Techcombank continued to lead gains with 6.9 percent, the second consecutive session it hit the ceiling price, the highest a stock can go in a trading session.

It was followed by VPB of private VPBank, which surged 5.7 percent, GAS of energy giant Petrovietnam Gas, 4.9 percent, and SSI of brokerage Saigon Securities Inc., 4.8 percent.

VHM of real estate developer Vinhomes, HoSE's third largest cap, rose 3.7 percent. VRE of Vinhomes' sister retail corporation also rose 0.6 percent, but VIC of parent Vingroup, Vietnam's largest private conglomerate, kept its opening price.

Other major gaining blue chips this session included MSN of food conglomerate Masan Group, up 3.4 percent, VNM of dairy giant Vinamilk, 3.3 percent, PNJ of jewelry retailer Phu Nhuan Jewelry, 2.6 percent, and HPG of leading steelmaker Hoa Phat Group, 2.4 percent.

All the remaining tickers in green added less than 2 percent. Of Vietnam's three biggest state-owned banks by assets, CTG of VietinBank, VCB of Vietcombank, and BID of BIDV, added 1.7 percent, 1.4 percent and 1.3 percent respectively.

The only two VN-30 tickers that fell this session were ROS of real estate developer FLC Faros, down 1.4 percent, and VJC of budget carrier Vietjet Air, down 1.2 percent.

Meanwhile, the HNX-Index for stocks on Hanoi Stock Exchange, home to mid and small caps, added 1.41 percent, while the UPCoM-Index for stocks on Unlisted Public Companies Market rose 1.10 percent.

After net buying for one session last Friday to end a streak of 26 consecutive net selling sessions, foreign investors returned to being net sellers on all three exchanges to the tune of VND398 billion (\$17 million).

Macro & Policies

2. Investors concern about wind power development

A report has been released by the Ministry of Industry and Trade (MoIT) outlining the current power produced nationwide through wind farms.

It says the country is falling short, and could generate much more power to help fuel the nation in a safer, more environmentally friendly manner.

The report revealed that as of March this year, an additional 78 wind power projects capable of producing 4,880 megawatts have been added to the Power Development Plan.

Eleven are currently operational and a further 31 are waiting to be finished and should be up and running either this year or next.

The report also stated another 250 wind power projects are currently at the proposal stage.

But despite these projects having a capability of generating 45,000MW each year, they are not proving attractive for potential investors.

Chairman of the Bình Thuận Wind Power Association Bùi Văn Thịnh told Vietnam News Agency that even though these projects could help power the country, completing them is not so simple – especially off-shore farms.

He said: “Handing over the surface of the sea to the investors faces many procedures as it relates to not only the normal land lease but also the national defence and security.

“There is a lack of policies to develop offshore wind power.”

Investors are concerned some of the projects may not meet the 18 month deadline set by the Government in order to attract a decent price per kWh.

If that deadline is met, and wind farms are up and running in time, they could charge as much as VNĐ1,770 (7.8 US cents) per kWh over the next 20 years.

Thịnh believes this is not enough time to get approval, build and begin producing energy in time for investors to take bait.

He hopes the Government will consider extending the deadline and support businesses willing to take a chance with future investments.

Thịnh says because of the COVID-19 pandemic, the timeframe must be reconsidered, as many investment firms are reconsidering their positions due to the virus.

Agreeing with Thịnh, Lê Anh Tùng of Ecotech Company, said: “Wind power firms facing with difficulties to meet the deadline because foreign manufacturers stopped production and delayed delivery of equipment.

“An extension of the deadline is necessary for businesses.”

Wind farm development is important not just for environmental reasons, but also because draughts nationwide have reduced reservoir capacities, putting strain on hydropower plants.

The MoIT is concerned that there will be a shortage of electricity in the next five years, particularly in the south of the country, even if oil-powered sources run at maximum capacity.

It has also backed calls to extend the deadline for completion of projects to 2023.

3. New high-tech park to be built in Đồng Nai

The project is scheduled to have registered investment capital of US\$150 million and be built on an area of about 300 hectares. Its location is near the Long Thành International Airport as well as river ports and seaports to facilitate transport for import and export of goods.

This park is expected to attract a total investment of \$2-3 billion from high-tech companies after six years of operation.

Cao Tiến Dũng, Chairman of the People's Committee of Đồng Nai, said this project is suitable with the provincial policies on investment. One of the project's goals is to build a high-tech incubation centre that will support technology transfer to Vietnamese businesses.

In the late 1990s, the techno park model was born in South Korea to support small and medium-sized businesses, especially start-up companies developing new technologies, according to VKTP.

The first Techno Park in Việt Nam would support training of high quality human resources for the technological sector, and research and development of globally competitive high-tech

products. At the same time, this park will also be a manufacturing area of high-tech products that have high added value and reach international standards, a VKTP representative Lê Hoài Quốc told the Đầu tư (Investment) newspaper.

The project will attract investment from high-tech enterprises of Việt Nam, South Korea and other countries and territories to development the core sectors of Industry 4.0 in Việt Nam. They include new computing technologies, microchips, semiconductors, blockchain, artificial intelligence and robots, advanced materials, multi-dimensional printing, unmanned aerial vehicles, biotechnology, neuroscience and environmental integration.

Quốc said the Việt Nam Techno Park will also be an independent intermediary organisation to link universities, manufacturers and the Government and support for businesses investing in the park.

This park will have many functional areas such as a research and development (R&D) centre, a human resource training centre, a high-tech innovation and incubation centre and a high-tech product production area.

4. VND2 trillion to be invested into Tan Son Nhat airport upgrade

According to the study proposed by Cuu Long Corporation for Investment Development and Project Management of Infrastructure, the project would cost VND2 trillion (USD86.95 million) sourced from the state budget.

Of the sum, VND1.5 trillion will be used for the construction and VND182 billion will be for equipment purchase.

The restoration of runway 25R/07L to serve new-generation aircrafts with a higher capacity would take around six months. Meanwhile, the other supporting facilities would be built within 14 months.

At present, two runways of Tan Son Nhat Airport, are 365 metres from each other, which can serve

around 231,000 takeoffs and landings with a total 36-38 million of passengers annually.

But in reality, the runways have to serve aircrafts which are much bigger and heavier than expected, causing the serious overloading. This has resulted in the runway deterioration.

The runway upgrade is aimed to raise Tan Son Nhat International Airport's capacity to 50 million passengers per year.

The Ministry of Transport earlier confirmed that the ministry would be the investor in the runway upgrade project at Noi Bai and Tan Son Nhat international airports.

5. Da Nang eyes becoming national maritime economy hub

Da Nang is among 28 coastal cities and provinces with deep-water ports that favour the growth of a maritime economy.

The central city has adopted various policies and solutions to manage, protect, and optimise its marine potential and strengths in a sustainable manner.

To encourage local fishermen to continue to head out to sea and to ease pressure on inshore fishing, the city issued a decision in 2012 with policies on building new vessels, according to the city's Department of Agriculture and Rural Development.

Apart from financial support ranging from 500 million VND (21,400 USD) to 800 million VND per a new ship, the city has exempted registration fees for boat owners.

With such incentives, 184 boats valued at more than 120 billion VND and with a capacity of at least 400CV were churned out between 2012 and the end of 2019, raising the total number of fishing boats in the city to over 1,250 with a combined capacity of 381,508 CV.

Da Nang has also helped fishermen with product preservation, job transfers, and modern equipment.

Its annual seafood catches are estimated at 38,500 to 43,000 tonnes, worth from 1.5 trillion VND to 1.75 trillion VND.

At the same time, the city has invested in fishery logistics as it looks to become a fisheries centre in the central region.

The 62-ha Tho Quang Port, which comprises a fishing port, a wholesale market, and a shelter for vessels, was built at an investment of 180 billion VND during the 2004-2010 period, said Nguyen Lai, Deputy Head of the Tho Quang Port Management Board.

It caters to more than 19,000 boats and over 100,000 tonnes of seafood each year, he said,

adding that the Ministry of Agriculture and Rural Development and Da Nang have jointly launched a 217.5 billion VND project on upgrading and expanding the port.

The port is expected to help boost fisheries in Da Nang and the central region in general.

In implementing Politburo Resolution No. 43-NQ/TW dated January 24, 2019 on the development and building of Da Nang by 2030 and vision towards 2045, the city's Party Committee has rolled out a thematic programme on logistics and seaport development, turning the city into a national maritime economic hub, said Secretary of the municipal Party Committee Truong Quang Nghia.

Under this, Da Nang will promote logistics that match its potential and strengths to enhance the production and competitiveness of businesses in the sector and effectively implement logistics services in the East-West Economic Corridor towards high added value, professionalism, and modernity.

It will also pay attention to transport infrastructure development and the application of information technology (IT), e-commerce, and the digital economy.

By 2020, local logistics centres are set to handle 25 percent of cargo in the city, 30 percent by 2025, 34.5 percent by 2030, and 50 percent by 2045.

To that end, Da Nang will upgrade its international airport, aiming to serve 28-30 million passengers and 200,000 tonnes of cargo per year by 2030, and turn Da Nang Seaport into a national facility. It will also consider turning Lien Chieu Port into an exclusive facility for cargo and containers.

Regarding sustainable maritime economic development, Vice Chairman of the Da Nang City People's Committee Ho Ky Minh said that apart from investment in maritime tourism and services, the city will focus on major sectors like navigation, fisheries, and renewable energy.

It will mobilise all resources to build the Da Nang Port cluster into a large and modern cluster and a port centre in the central region that meets regional standards, improve the capacity of its ports, develop vessel fleets, raise service standards, and intensively join transport supply chains.

It will increase hi-tech applications in fishing methods, step up offshore fishing and connectivity in this regard, develop industries based on marine biodiversity, and promote wind and solar power and other types of renewable energy in service of sustainable maritime economic development./.

6. Countering COVID-19 headwinds to manage export growth

Despite facing disruptions in export orders from partners in the EU, the US, or Japan, Vietnam's exports picked up 4.7 per cent in value, touching approximately \$83 billion.

Despite adversity, several businesses have managed to achieve stable export orders through changing production modes and taking smart adaptive measures.

Unlike the shortage of orders businesses are seeing in big export sectors, from the outset of 2020 until present privately-held An Phat Holdings (APH) have clinched new export orders with customers in Japan and Europe in the compostable bag export segment.

This came in the wake of a well-conceived business strategy being deployed much earlier by the company.

According to APH's general director Dinh Xuan Cuong, changing the product structure towards employing cutting-edge and environmentally friendly technologies in packaging production is quite useful during the pandemic.

Consequently, the company has still managed growth in both market share and revenue in the compostable bag segment, and gained new orders mostly from EU partners.

Compostable bags are one of APH's core

APH's products have made forays into the EU, Australia, Japan and the US, in which EU took the lead by making up 50 per cent of the company's compostable plastic bag revenue last year.

products, with almost all products going to export.

The products have made forays in the EU, Australia, Japan, and the US, of which the EU took the lead by making up 50 per cent of the company's compostable plastic bag revenue last year.

When it comes to fruit exports, before the May 1 holiday, Vina T&T Group exported by air more than 10 containers of mangos, thanh long (dragon fruit), and rambutan to Los Angeles and New York in the US.

According to the company's director Nguyen Dinh Tung, the company had faced many difficulties as at the time both the US and the EU closed their borders to prevent the epidemic.

The company has taken measures to adapt. Last month (April), Vina T&T Group had managed stable exports of fresh fruits by both air and sea routes to make up for the shortfall in export volume in the month prior.

Meanwhile, Dong Giao Foodstuff Export JSC (Doveco), a leading fresh and processed agricultural product export firm in Vietnam, has managed stable operations with a sharp rise in processed volumes to serve export orders to Japan and the EU.

A Doveco executive said that the company's products are processed following the latest Japan technology. After being frozen, the products are preserved at -18 degrees Celsius, ensuring their freshness for as long as two years.

Regarding Vietnam's export business in the first four months of this year, Tran Thanh Hai, deputy head of the Export Import Department under the Ministry of Industry and Trade said that despite COVID-19, exports still registered growth in major markets.

The US continued to top Vietnam's export markets in this four-month period with a 13.4 per cent jump to reach \$20.3 billion. China came second with a 26.7 per cent hike touching \$13.1 billion, and Japan placed third with \$6.7 billion in export value, up 10.1 per cent.

Significantly, many markets in the Americas witnessed robust growth in imports from Vietnam, as exports to Mexico picked up 61 per cent, to Chile 93 per cent, to Argentina 55 per cent, to Panama 73 per cent, and to Peru 82 per cent.

Corporate News

7. STK: Report on the result of share buyback

↑ 0.00%

Century Synthetic Fiber Corporation reports the result of share buyback as follows:

- Stock code: STK
- Par value: VND10,000/share
- Number of shares registered to be bought back: 5,000,000 shares
- Number of bought shares: 2,541,650 shares
- Trading time: from April 03, 2020 to April 29, 2020
- Number of treasury shares before trading: 0 shares
- Number of treasury shares at present: 2,541,650 shares
- Financial resource for the share buyback: the undistributed profit according to the latest audited or reviewed consolidated financial statements.
- Average buying price: VND16,668
- Trading method: order-matching
- Securities agent for the share buyback: Hochiminh City Securities Corporation.

8. KBC: Result of the private placement of KBC2020.200 Bond

↑ 1.95%

Kinh Bac City Development Holding Corporation announces the result of private placement as follows:

File Attachment

[164816_020.200-Bond--MN.pdf](#)

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