



VIETNAM DAILY NEWS

May 26th, 2020



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Market Analysis

1. Shares advance despite bad int'l news on good earnings hunt

Vietnamese shares moved steadily upwards on Monday despite negative movements among Asian markets as the hunt for good quarterly corporate earnings intensified.

The benchmark VN-Index on the Ho Chi Minh Stock Exchange gained 0.74 per cent to end at 859.04 points.

The southern market index increased by a total of 3.11 per cent last week.

The minor HNX-Index on the Ha Noi Stock Exchange rose nearly 2.0 per cent to close at 109.15 points.

The HNX-Index fell 1.81 per cent last week.

More than 356 million shares were traded on the two exchanges, worth VND6.45 trillion (US\$277 million).

The local markets soared despite bad news from international markets about the continuous economic and political tensions between China and the US.

Shares in securities, mining and energy, retail, real estate, and food and beverage firms were among the best performing.

These sectors' indices were up between 0.8 per cent and 1.8 per cent, according to vietstock.vn.

Large-cap companies in those sectors boosted the market. The large-cap tracker VN30-Index increased by 0.51 per cent.

Seventeen of the 30 largest stocks by market capitalisation and trading liquidity in the VN30 basket advanced, while only eight declined.

Top gainers included dairy producer Vinamilk (VNM), SSI Securities (SSI), real estate firm Vincom Retail (VRE), retailer Mobile World Investment (MWG), and Vietinbank (CTG), which rose between 1.1 per cent and 2.8 per cent.

The market was divided with investors hunting for companies that are expected to report good earnings from the first quarter despite the coronavirus, analysts said.

Companies with a good financial status and risk management may have a better chance to bounce back from the downturn caused by the disease, VietCapital Securities' brokerage director Chau Thien Truc Quynh said.

Those companies operated in the utilities, real estate and infrastructure development, and banking sectors, she said.

Nguyen The Minh, director of market analysis at Yuanta Vietnam Securities, said food and beverage companies were also good options for investors.

Stocks with their own stories also helped lift the market.

Kido Group (KDC) edged up 0.7 per cent after announcing it planned to merge with its ex-confectionery arm Kido Frozen Foods JSC (KDF).

Kido Frozen Foods' shares soared 6.67 per cent on Monday.

Macro & Policies

2. Bắc Giang seeks for more chances for exporting lychees to Singapore

Lê Hoàng Tài, deputy director general of the Việt Nam Trade Promotion Agency under the Ministry of Industry and Trade, said the online Việt Nam-Singapore Agricultural Trade Fair 2020 will be held on May 29-30 in cooperation with the Singapore Business Federation.

The Việt Nam Trade Promotion Agency and the Trade Office of Việt Nam in Singapore will assist Bắc Giang to promote export of Bắc Giang lychees to the Singapore market.

Trần Thu Quỳnh, trade counselor in Singapore, said that besides Vietnamese lychees imported by Chinese traders to Singapore with a small quantity, this market is importing lychees from Thailand and Taiwan, but the Singapore market likes Vietnamese lychees due to their good taste.

Tài said strengthening trade promotion activities for Vietnamese lychees in general and Bắc Giang lychees in particular in the Singapore market is a good solution to increase Vietnamese lychees being directly exported to Singapore.

Besides that, the exports to this Southeast Asian country would force local enterprises to find

measures on improving preservation and transportation of lychees to ensure the quality of this fresh fruit, he said.

The online trade fair would be a good chance for Bắc Giang to promote exports of its famous lychees to Singapore.

Trần Quang Tấn, director of Bắc Giang Department of Industry and Trade, said this year this province has a total area of 28,000ha growing lychees with an estimated total output of 160,000 tonnes.

Of which, there are 15,000ha planting lychees according to VietGAP standards and 218ha developed under GlobalGAP standards.

The US has granted IRADS (Irradiation Reporting and Accountability Database) codes for 19 areas growing lychees in Bắc Giang to permit the provincial lychees to be exported to this market.

Meanwhile, Japan has granted area codes to 19 areas. China has granted area codes for 149 areas and export licences for 288 packaging facilities in Bắc Giang.

3. HCMC to build one more industrial zone

HCM City People's Committee asked the department to review the current industrial and processing zones and find suitable lands to attract investments to the city and build the new hi-tech industrial park. The new park will be a new gathering place for hi-tech firms and support start-up companies.

HCM City Export Processing Zone and Industrial Park Authority (Hepza) will work with the department on how to deal with violations such as firms that operate not in accordance to their registered businesses.

Hepza must also report about suitable land that can attract immediate investment or for business expansion. They must propose solutions to violations and difficulties that firms may face.

HCM City has three processing zones and 16 industrial zones that cover a total 4,532ha. 17 of them have gone into operation in the past years. 1,716ha have been rented out. According to the plan, HCM City will have 23 processing and industrial zones that cover 5,822ha by the end of 2020.

4. Ha Nam becomes attractive destinations for investors

The northern province of Ha Nam has become an attractive destination for domestic and foreign investors thanks to the locality's transparent investment policies and mechanisms.

In recent years, Ha Nam has focused on selecting investors with sound financial capacity that use advanced production technologies.

To fully tap its potential, the locality is focusing on upgrading and developing modern transport infrastructure systems connected to neighbouring localities to form a synchronous network, serving the locality's socio-economic development roadmap.

It has paid heed to improving the quality of services in industrial parks (IPs) and vocational training, thus facilitating production and business activities while meeting the demand for skilled human resources.

Attention has also been paid to accelerating administration reforms, and taking measures and incentives to support businesses.

The IPs in Ha Nam with a high occupancy rate are Dong Van IPs I, II, and III.

By the end of the first quarter, Ha Nam was home to 956 valid investment projects worth over 5.36 billion USD, including 302 foreign-invested projects.

In 2019, enterprises operating in the locality contributed nearly 6 trillion VND (over 257.6 million USD) to the State budget, accounting for 66.67 percent of the province's total budget revenue. They created jobs for nearly 144,000 labourers./.

5. Quang Ninh seeks ways to improve competitiveness

The northeastern province of Quang Ninh on May 25 held a conference to analyse the local PCI (Provincial Competitiveness Index) in 2019 and seek ways to improve its PCI quality this year.

The province looks to raise its PCI score from 73.4 points in 2019 to 75.3 points, and have eight component indexes in the top five, while the remaining two in the top 10 among the total 63 localities in the country.

Priority will be given to enhancing the score and ranking of three component indexes on market entry cost, land access and business support services.

Secretary of the provincial Party Committee Nguyen Xuan Ky said Quang Ninh should continue to promote the people's right to mastery, facilitate the public's engagement in building the local administration and enhance the people's supervision and inspection of the operation of units in the political system, especially government agencies.

The province will also strive for a streamlined and efficient apparatus while tightening the Party's leadership of State agencies at different levels.

Quang Ninh topped the Provincial Competitiveness Index (PCI) ranking in 2019, the third year in a row, according to the PCI 2019 report released by the Vietnam Chamber of Commerce and Industry (VCCI).

Vu Tien Loc, Chairman of the Vietnam Chamber of Commerce and Industry said Quang Ninh is home to several models of reform in the country, which helped the province rise to the top in attracting investment.

Besides the PCI, Quang Ninh also led the country in the Public Administration Reform Index (PAR Index) for three consecutive years (2017, 2018 and 2019). The province has always been among the top localities in Satisfaction Index of Public Administration Services (SIPAS), rising to the top position in 2019. It also made a great stride in improving governance and public administration capacity, moving from the 62nd place in 2016 to

the third place in the Vietnam Provincial Governance and Public Administration

Performance Index (PAPI) last year./.

6. EVFTA to help cover some economic losses from pandemic

The EU-Vietnam Free Trade Agreement (EVFTA), to take effect shortly, is expected to make up for some of the losses Vietnam's economy incurred during the COVID-19 pandemic, according to insiders.

The Ministry of Industry and Trade (MoIT) said that amid a global economic crisis caused by the coronavirus outbreak, the EVFTA will play an important role in the recovery of the local economy.

Echoing this, many experts said that although growth is unlikely to reach this year's target, the trade deal with the EU will help buffer the downturn.

They also believe the agreement will create opportunities for businesses to diversify markets and regain growth momentum.

Vietnamese companies have long struggled to gain a foothold in the EU as they face rivals from countries with developed industries, especially China, and its product prices are usually 10-20 percent higher than those of identical goods from other countries.

The EU is the world's second-largest importer, purchasing about 2.338 trillion USD worth of goods from overseas annually, only 2 percent of which is from Vietnam. Just over 42 percent of Vietnam's exports to the EU, meanwhile, benefit from zero-percent tariffs under the Generalised System of Preferences.

Given this, and with strong commitments made to market opening and the elimination of almost all import tariffs in the EVFTA, the opportunities for Vietnam to bolster its exports are huge, especially for commodities where it possesses strengths, such as textiles and garments, leather and footwear, agricultural and fisheries products, and wooden items, experts have noted.

A recent study indicates that the trade deal will help raise shipments to the EU by some 20 percent in 2020, 42.7 percent in 2025, and 44.37 percent in 2030. Vietnam's imports from the EU will also increase but at a slower pace than exports, at about 15.28 percent in 2020, 33.06 percent in 2025, and 36.7 percent in 2030.

The EVFTA will help boost Vietnam's GDP by an average of 2.18-3.25 percent in 2019-2023, 4.57-5.3 percent in 2024-2028, and 7.07-7.72 percent in 2029-2033.

Local producers will benefit a great deal from high-quality input materials, machinery, and technology from the EU at more reasonable prices, which will subsequently help promote productivity and product quality. Imports of goods and services from the bloc will also generate competition, encouraging Vietnamese businesses to work harder to improve their competitiveness.

Experts added that new value chains between Vietnam and the bloc will take shape under the EVFTA. A more open and more favourable investment climate will also be promoted, attracting greater FDI from the EU, particularly to sectors such as services, finance, automobiles, processing and manufacturing, information technology, high technology, and food processing.

At the same time, the pact's requirements for improving the business climate and aligning policies and laws with international practices will be important prerequisites for Vietnam to boost its development to new heights, according to experts.

Already ratified by the European Parliament, the EVFTA is expected to be approved by the National Assembly during its ongoing ninth session.

Corporate News

7. Asian Banker names Techcombank best bank for SMEs in 2020

↑ 0.00%

The magazine said the bank has solidified its position as a one-stop solutions provider for SMEs in Viet Nam with a value chain-focused strategy and business model.

Head of Research and Survey at The Asian Banker, Mobasher Kazmi, said leading experts have been impressed by the bank's deep customer insight in addressing the evolving needs of SMEs, which led to its strong income and profit growth in 2019.

The bank has targeted the six consumption-led economic sectors that contribute almost half of Viet Nam's GDP.

Vishal Shah, Head of Techcombank's Business Banking Division, said that within its growing footprint of more than 300 branches nationwide,

Techcombank has enabled a dedicated business unit focused on SMEs and mid-corporate businesses through 43 dedicated branches.

He added that the bank continues to upgrade its Fast E-Bank online banking platform to improve customers' experience in terms of speed, convenience, efficiency, and security.

It also introduced Overseas Remittance-embedded Foreign Currency Exchange with enhanced functionalities to support internal customer control and risk management.

The bank also launched a preferential loan package of VND20 trillion (US\$869 million) to businesses affected by COVID-19./.

8. GEX: Record date for Annual General Meeting 2020

↑ 4.39%

On May 21, 2020, the Hochiminh Stock Exchange issued Announcement No.999 /TB-SGDHCM about the record date of Viet Nam Electrical Equipment Joint Stock Corporation (stock code: GEX) as follows:

- Ex-right date: May 29, 2020
- Record date: June 01, 2020

- Purpose: to organize the 2020 Annual General Meeting of Shareholders.
- Exercise ratio: 01 share – 01 voting right
- Meeting date: June 18, 2020
- Meeting venue: Ballroom 1, floor 1, Melia Ha Noi hotel, 44 Ly Thuong Kiet street, Tran Hung Dao ward, Hoan Kiem district, Ha Noi city.

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