



# VIETNAM DAILY NEWS

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## Market Analysis

### 1. VN market remains upbeat on individual large-cap gains

Vietnamese shares edged up on Thursday on the back of a few blue chips while increased profit taking kept hitting mid-cap and small-cap sectors.

The benchmark VN-Index on the Ho Chi Minh Stock Exchange rose 0.27 per cent to 942.76 points.

The VN-Index has gained total 2.60 per cent in the last five trading days.

Multisectoral company Vingroup (VIC), steel producer Hoa Phat (HPG) and consumer firm Masan (MSN) were the three blue chips that boosted the market.

VIC advanced 2.6 per cent, HPG rose 2.5 per cent and MSN added 1.4 per cent.

The property, materials and consumer sector indices, therefore, increased by 1.9 per cent, 1.7 per cent and 0.4 per cent, respectively, according to vietstock.vn.

VIC, HPG and MSN were three of the 19 gaining large-cap stocks in the VN30 basket.

Other large-cap gainers included Sacombank (STB), Phu Nhuan Jewellery JSC (PNJ), HDBank (HDB) and aviation company Vietjet (VJC).

Of the 30 largest stocks by market capitalisation and trading liquidity in the VN30, eight declined, such as Bank for Investment and Development of Viet Nam (BID), Vinhomes (VHM) and PetroVietnam Gas Corporation (GAS).

The large-cap tracker VN30-Index gained 0.79 per cent to 899.20 points at the end of Thursday.

The VN30 futures due on Thursday was up nearly 0.50 per cent to 899.20 points.

Aside from the positive growth of the large-cap sector, profit taking kept weighing on mid-cap and small-cap stocks.

The mid-cap and small-cap trackers on HoSE fell 0.17 per cent and 1.06 per cent, respectively.

Across the southern bourse, declining stocks outnumbered gainers by 223 to 184 while 66 stocks were unchanged.

On the Ha Noi Stock Exchange, the HNX-Index gained 1.58 per cent to 139.66 points.

Sai Gon-Ha Noi Bank (SHB), Asia Commercial Bank (ACB) and Viet Nam-Germany Steel JSC (VGS) rose between 2.1 per cent and 9.3 per cent to boost the northern market.

The HNX-Index has rallied total 2.77 per cent in the last three trading days.

More than 537.7 million shares were traded on the two exchanges, worth VND10.47 trillion (US\$451.7 million).

Foreign investors net-sold VND278.7 billion worth of local assets, down 52 per cent in value from Wednesday.

According to Thanh Cong Securities Co (TCSC), large-cap stocks still carried the market up but the momentum has weakened at the 940-950 point zone.

The market will struggle in coming days when blue chips weaken and profit taking increases on their rallies, the company said.

## Macro & Policies

### 2. Coffee exports enjoy major surge to EU market

This comes as strong export growth was recorded in a number of markets, including Poland with a rise of 46.2%, Denmark with a boost of 32.9%, Cambodia up by 30%, and the Netherlands climbing by 28.5%.

In contrast, coffee exports to Mexico, Laos, and Hungary all endured a downward trajectory of 76%, 74.7%, and 74.2%, respectively.

According to preliminary statistics compiled by the General Department of Vietnam Customs, the nation shipped 100,188 tonnes of coffee abroad with a value of US\$184.35 million in August, representing a decline of 8.9% in volume and 6.3% in turnover compared to July's figures.

Throughout the eight-month period, the country exported over 1.15 million tonnes of coffee, earning US\$1.97 billion in the process, with the average price standing at US\$1,711 per tonne. This therefore represented a fall of over 2% in both volume and turnover, although marking a slight rise of 0.1% in terms of price compared to the same period from last year.

During the opening nine months of the year, coffee exports reached 1.25 million tonnes worth US\$2.16 billion, an annual decrease of 1.4% in volume and 1% in turnover.

### 3. State Audit of Vietnam works to complete 2020 plan

As the Chair of the Asian Organisation of Supreme Audit Institution (ASOSAI) for the 2018-2021 term, the State Audit of Vietnam (SAV) has strived to implement its audit plan for 2020 despite formidable challenges caused by the COVID-19 pandemic.

As a wide range of the SAV's activities were hampered by the coronavirus outbreak, the SAV has to adjust its foreign affairs plan for 2020, including the ASOSAI Chair's activities.

It joined hands with the National Audit Office of China – the Secretary General of ASOSAI, and members of the ASOSAI Governing Board to make preparation for the Governing Board's online meeting on July 27.

The SAV also sharpened focus on the implementation of commitments under the Hanoi Declaration, which was considered to be among the most notable outcomes of the 14th ASOSAI. The move will help it increase prestige and influence at global and regional forums.

At the 55th Governing Board meeting of the ASOSAI held in the form of a teleconference on July 27, the SAV proposed an audit on water resources in the

Mekong River basin be conducted by the agency, called "ASOSAI's cooperative environmental audit in Southeast Asia in the 2020-2021 period".

A parallel audit on water issues in the river basin was successfully carried out with the participation of five Supreme Audit Institutions (SAIs) of Thailand, Cambodia, Laos, Myanmar and Vietnam, with technical assistance from the German Development Cooperation.

Audit results show that, at the national level, the system of policies and laws and compliance with policies and laws on water resources management in general and water resources management in the Mekong River basin in particular still bear limitations, leading to the unreasonable exploitation and use of water, absence of planning, and increases in water pollution.

The success of the audit provided valuable lessons on the efficient and sustainable use and management of water resources, especially water resources flowing through the territories of many countries, for ASOSAI members in general and SAIs in Southeast Asia in particular, thus reducing negative impacts on the environment and the social security of residents in relevant areas.

In the first half of 2020, the SAV represented the ASOSAI to attend two online technical-level meetings on building strategic plan of the International Organisation of Supreme Audit Institutions (INTOSAI), and gave opinions on orientation of the ASOSAI's strategies, plans to build strategic plans, and survey of SAIs' information.

The SAV's initiative to set up a special committee, which is responsible for studying the establishment of an ASOSAI's working group to carry out sustainable development goals of the state audits, was said as a pioneer recommendation in the INTOSAI.

Its documentary film "ASOSAI for sustainable development", to be screened at the 15th Assembly of ASOSAI in Thailand next year, received enthusiastic support from members of the ASOSAI's Governing Board. The film aims to popularise and acknowledge ASOSAI's contributions to promoting and realising sustainable development goals under the Hanoi Declaration.

The ASOSAI founded in 1979, pursues a common mission like other working groups of the INTOSAI, that is "Professional supreme audit institutions promote good State governance" and with the core values of "Professionalism, Cooperation, Equality, Creativity".

The ASOSAI's goal is to promote mutual understanding and cooperation among member SAIs through the exchange of ideas and experience in public auditing, creating favourable conditions for the training of State auditors to improve working quality and efficiency.

The State Audit Office of Vietnam (SAV) became a member of ASOSAI in 1997. In the first period of the membership, the SAV mainly sent auditors to attend training courses and workshops sponsored by ASOSAI to enhance professional capacity. Since 2010, the SAV has undertaken a more active role in professional activities of ASOSAI.

#### 4. American newspaper details Vietnamese economic "miracle"

Throughout the article Ruchir outlines that controlling the novel coronavirus (COVID-19) has allowed Vietnam to swiftly reopen its businesses and forecasts that the nation will have the fastest growing economy in the world this year.

Within days of China announcing its first COVID-19 case, Vietnam mobilised all resources in a bid to stop the spread of the disease. Indeed, the rapid isolation of outbreaks has served to keep the local death rate among the four lowest in the world.

While many places are suffering from enormous economic contractions and have been forced to ask the International Monetary Fund (IMF) for financial rescue packages, the nation is growing at an annual rate of 3%. Even more impressively, growth is being driven by a record trade surplus, despite global trade essentially collapsing, the article states.

Following World War II, "Asian miracles" grew their way out of poverty by opening up to trade and investment and becoming manufacturing export powerhouses. This first occurred with Japan, followed by Taiwan (China) and South Korea, with China being the most recently example.

During their boom years the original Asian miracles recorded annual export growth of close to 20%, nearly double the average for low- or middle-income nations at the time. Most notably, Vietnam has been able to sustain a similar pace for three decades.

Even with global trade slumping in the 2010s, Vietnamese exports grew by 16% a year, by far the fastest rate in the world and three times that of the emerging-world average.

According to the Ruchir, the country devotes resources to its exports by building roads and ports to get goods overseas, in addition to building schools to educate workers. The Government invests approximately 8% of GDP annually on new building projects and now enjoys a higher quality of infrastructure compared to other nations at a similar stage of their development.

Furthermore, it also helps see foreign money invested in similar sectors. Over the past five years, foreign direct investment (FDI) has averaged more than 6% of Vietnamese GDP, the highest rate of any emerging country. The majority of it goes to building

manufacturing plants and other related infrastructure, with the majority of it coming from fellow Asian countries, including the Republic of Korea, Japan, and China.

“Vietnam has become a favourite destination for export manufacturers. Average annual per capita income in Vietnam has quintupled since the late 1980s to nearly \$3,000 per person. Tech surpassed clothing and textiles as Vietnam's leading export in 2015, and accounts for most of its record trade surplus this year,” the article notes.

As many countries tend to increase their trade protectionism, the nation has signed more than a dozen free trade agreements, including the European Union-Vietnam Free Trade Agreement (EVFTA).

“For now, Vietnam looks like a miracle from a bygone era, exporting its way to prosperity,” the author concludes.

## 5. Vietnam opens 450 MW solar plant

Vietnamese construction company Trungnam Group has announced the inauguration of what is thought to be the nation's biggest solar project – the 450 MW Trung Nam Thuan Nam Solar Plant, in the southeastern province of Ninh Thuan.

The company on Monday announced completion of the project, including associated electricity grid improvements, and said the solar plant had been completed within 102 days of finance being agreed in April.

Trungnam stated the solar project, in the Phuoc Minh commune of Ninh Thuan's Thuan Nam district, would generate 1.2 GWh of solar electricity in its first year of operation and “more than” 1 GWh annually thereafter.

The company said some 8,000 laborers and engineers carried out land clearance of the site in just 45 days and said it had joined with public bodies the Vietnamese Fatherland Front, the Thuan Nam communal people's committee, and the provincial association of poor patients to donate 102 houses worth a total VND5.1 billion (\$220,000) to poor households during the build phase.

Noting that the government wanted Ninh Thuan province to become a “national renewable energy center,” Trungnam said the 500 kV transformer station and 220/500 kV power line installed as part of the project would enhance the grid in the province and the wider south-central coast region.

## 6. Bình Dương focuses on supporting industry

In recent years the province has been focusing on industries that produce raw materials for manufacturing such as fibre, fabric and colouring for the textile and garment industry and metal and components for the mechanical industry.

It has also been creating a favourable investment climate and encouraging small and medium-sized businesses to enter supporting industries.

Bình Dương is among the top five provinces and cities in the country in terms of supporting industries, with around 2,300 such businesses and having domestic businesses that are linked up with

foreign businesses to gain access to modern technologies.

However, they only meet around 40-45 per cent of the requirements of the textile and garment industry and less than 20 per cent in the case of other industries such as electronics and automobiles, according to the provincial Department of Industry and Trade.

Mai Hùng Dũng, deputy chairman of the provincial People's Committee, said the department has been tasked to work closely with business groups to better understand their demands and with industrial parks to help supporting industry

businesses network with domestic and foreign partners, and improve their capabilities.

COVID-19 is affecting manufacturing industries that rely on imports, and businesses are realising the

importance of using domestic materials, the department said.

Bình Dương has 29 industrial parks and 12 industrial clusters occupied by over 43,000 businesses in a range of industries.

## 7. Salary increases in 2020 lowest in 10 years: survey

Speaking at a webinar held to release the survey on Wednesday, Hoa Nguyen, the company's senior principal, human capital solutions, said 14 per cent of MNCs and 34 per cent of local companies did not increase salaries at all in 2020 due to Covid-19.

While higher than the inflation rate, the increases were the lowest in the last 10 years, she said.

In terms of salary increase by industry, insurance, high-tech and life sciences, less impacted than most other industries, topped with 8,7 per cent, 8,5 per cent and 8,4 per cent hikes.

Oil and mining, banking and sourcing industries had the lowest increases of 2,1 per cent, 5,6 per cent and 6,5 per cent.

Banking and non-banking financial services and life sciences companies paid the highest bonuses of 22.4 per cent, 20.1 per cent and 18.6 per cent.

Technology, transport and logistics and retail paid the lowest rates of 13.8 per cent, 13.6 per cent and 12.5 per cent.

The report also said in the first half of 2020 there was a slight decrease in voluntary turnover from last year due to the impact of the pandemic on job availability.

Phuong Nguyen, director, human capital solutions, Talentnet, said, "Despite the effects of Covid-19, 13 per cent of companies paid special Covid-19-related bonuses to employees who are critical to meeting business goals."

Of them, 69 per cent paid a one-time bonus, 13 per cent each paid monthly and quarterly and the remaining 5 per cent paid in other forms, she said.

Talking about recruitment trends in 2021, she said 40 per cent of companies plan to add staff next year, 5 per cent intends to reduce and 55 per cent expect no change.

Godelieve van Dooren, partner, Mercer Singapore, said "During these uncertain times, companies might need measures to manage current costs, but they should not be short-sighted as they will need employees when business starts picking up again.

"It is critical to balance economic decisions and empathy with a longer-term look towards what's the next right thing your company needs to do to succeed and build a better, brighter tomorrow."

The survey polled 605 multinational and local companies in 16 sectors with more than 427,000 employees, and is thought to be the largest and most comprehensive in Viet Nam.



## Corporate News

### 8. CRE: BOD approved to collect shareholders' opinions in writing

↓ -0.62%

Century Land Joint Stock Company announces the Board resolution dated October 14, 2020 on collecting shareholders' opinions in writing to approve the stock issuance plan for capital increase with the following contents:

- Record date: November 04, 2020
- Time of implementation: expected from November 2020 to December 2020

- Location: 137 Nguyen Ngoc Vu, Trung Hoa Ward, Cau Giay District, Hanoi City

- Content:

- Approving the stock issuance plan to raise its charter capital from the owner's equity;
- Other issues.

### 9. PDR: Decision on receiving the transfer of shares

↓ -0.26%

On October 14, 2020, Phat Dat Real Estate Development Corp (PDR) issued a decision to approve to receive the transfer of 99.34% contribution capital in Serenity Investment Joint

Stock Company. After the transfer completes, PDR will own 99.34% shares of Serenity Investment Joint Stock Company.

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