

STRIKE THE GONG AT HOSE TO OPEN TRADING FOR THE LUNAR NEW YEAR OF 2020



Hochiminh City, February 3rd, 2020. Hochiminh Stock Exchange (HOSE) held a traditional gong striking ceremony to kick off the Year of the Rat 2020. The event was attended by Mr. Nguyen Thanh Phong - Chairman of the Hochiminh City People's Committee; Mr. Huynh Quang Hai - Vice Minister of Finance, together with Mr. Tran Van Dzung - Chairman of the State Securities Commission (SSC), as well as leaders of the market operators, leading listed companies, securities companies, fund management companies, and local press agencies.

In 2019, due to the global recession with negative effect to investors and businesses confidence in the region, the liquidity of Vietnam's stock market dropped by 29% compared to that of 2018, while SOE equitization and state capital divestment activities were also on the decline. Nevertheless, thanks to positive domestic macroeconomy indicators, Vietnam's stock market in 2019 was able to maintain its growth in many aspects and has remained an attractive destination for foreign investment inflows. By the end of 2019, the main indicator VN-Index reached 960.99 points with an increase of 7.7% compared to the end of 2018. The national market capitalization of the stock



market reached VND 4,380 trillion (~USD 190 billion), or 10.7% higher than that of 2018, equivalent to 72.6% of estimated 2019 GDP. The HOSE alone had a market capitalization of VND 3,280 trillion, accounting for about 54.3% of the estimated GDP in 2019, which was 14.05% higher than that of 2018. Foreign trading remained stable at 16% of the trading value of the whole market with a net buying of VND 5,532 billion, showing an optimistic view of the foreign investors toward Vietnam's stock market.

The year 2020 would be a vibrant year for Vietnam's securities market with many important events. Remarkably, the amendments to the Securities Law that will come into effect on January 1st, 2021, will be a milestone in perfecting the legal frameworks and improving the market quality. A new integrated IT system for the securities market is expected to be completed and launched soon, contributing to the modernization of the technology infrastructure and bringing Vietnam's stock market closer to the global standards and good practices.

This gong striking ceremony is the first activity in a series of events to celebrate the 20th anniversary of Vietnam's stock market and the Hochiminh Stock Exchange – 20 years of developing sustainable values, building social and investors' trust in a transparent and efficient securities market, and making the securities market an important capital mobilizing channel for the economy.

Speaking at the ceremony, Mr. Nguyen Thanh Phong, Chairman of the Hochiminh City People's Committee, praised the HOSE and market participants for their achievements and contribution to the development of Vietnam's stock market as well as the city's financial market over the past years and expected that HOSE will continue to play its pioneering role as a major channel of financial resource mobilization and allocation.

As stated by Mr. Huynh Quang Hai, Vice Minister of Finance, the following tasks should be carried out in the year 2020 to develop the domestic securities market: (1) issue related Decrees and guiding documents for the implementation of the newly amended Securities Law; (2) deploy restructure plan of the stock market and establish Vietnam Stock Exchange by restructuring the two existing Stock Exchanges; (3) complete and expedite the process of state-owned enterprises' equitization and state capital divestment to enhance the scale and quality of Vietnam's stock market, develop the corporate bond market to meet the needs of the enterprises and investors; (4) implement action plans for upgrading the market status of Vietnam's stock market from "frontier market" to "emerging market"; develop regulations on credit rating and establish a credit rating agency of Vietnam; (5) strengthen inspection, supervision and



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violations handling regarding to the stock market to gain investors' trust and ensure the stable and sustainable development of the market.

About Hochiminh Stock Exchange

HOSE is one of the operators of the stock market in Vietnam. As of December 31st 2019, there were 382 shares, 3 closed fund certificates, 2 ETF fund certificates, 37 covered warrants and 44 corporate bonds listed on HOSE. The market capitalization reached VND 3.28 million billion, 14.05% higher than that of 2018, accounting for 95% of the market capitalization and approximately 60% of the GDP in 2018. HOSE always supports its members and listed companies to develop a transparent and sustainable stock market towards the global good practices.

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