

MAY

30

FRIDAY

*“A volatile May,
and looking for
a better June”*

ADVISORY DIARY

- **Volatile May, and looking for a better June**

A volatile May

In the investment strategy report published in May/2014, we predicted that the stock market would have been declined to 500 pts, if the worst scenario of East Sea dispute had happen. In reality, the lowest point of VNIndex in May was 508 on the 13/05 session, and after that, this index was recovered. In comparison with the end of April, VNIndex and HNIndex lost 2.76% and 5.05%, respectively. However, many opportunities to get profits were created by the high volatility of stock prices. For the industrial point of view, the retail industry and travel and leisure attracted the capital inflow to grow by 2.15% and 2.03% respectively. On the contrary, technology tickers significantly decreased by 16.03%.

Foreign investors were the limelight of May's trading as they stepped up disbursement even as domestic investors hurriedly withdrawing from the market. Specifically, during the 8-session period since 08/05 – the biggest single-day drop in VNIndex's history at nearly 33 points – foreign investors had been heavily buying in almost 2,000 bil VND, and ended the month with only 2 sessions with more value sold. Their combined net purchase value reached 2,400 bil VND on both HSX and HNX, mostly concentrating on key tickers including: GAS (306 bil VND), MSN (166 bil VND), HPG, and PVD. On the selling side, the most net-sold tickers were CNG (-196 bil VND), and SSC (-108 bil VND).

Looking for a better June

Looking back at the trading in May, it can be observed that the market had always follow its own rules – ran by the combined psyche of all market participants – that makes it evermore exciting. When investors were contemplating the “Sell in May” strategy when the month began – as it was often perceived as a period of information blind-spot, streams of information rushed in and turned the market on its head, even sometimes in a downward direction. We believe June will bring a more promising market as investors have now managed their expectations of the forthcoming economic and political risks.

Once East Sea tension becomes more stressful and creates impact on trade & investment relations between Vietnam and China, the economy is temporarily affected. However, in the long run, this will be the opportunity for vigorous move of Vietnam's economy and dependence reduction on partner who puts Vietnam at disadvantage.

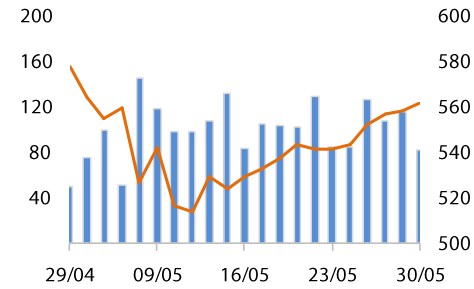
We expect the fluctuation of VNIndex and HNIndex are (530-580) and (70-80), respectively. In other words, our perspective is that in next month, the indices will continue sideways trading trend. The reason for this is: after strong recovery period at the end of May, the market needs to accumulate in new price level and the current level is also quite close to strong resistance zone. We believe the appropriate strategy at the moment is still not much different from buy recommendation during declining sessions, lock in profit at expected profit rate and profit margin is likely not as high as other advantage phases.

Huyen Ho

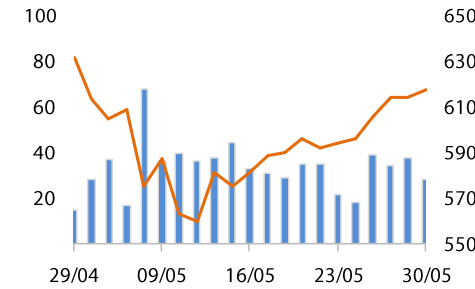
+84 8 6299 2006 | Ext: 349

huyen.ho@vdsc.com.vn

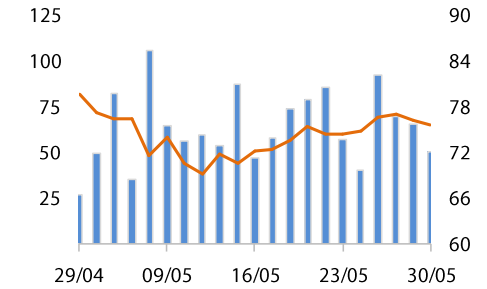
VN INDEX 0.64% **562.02**



VN30 0.49% **618**

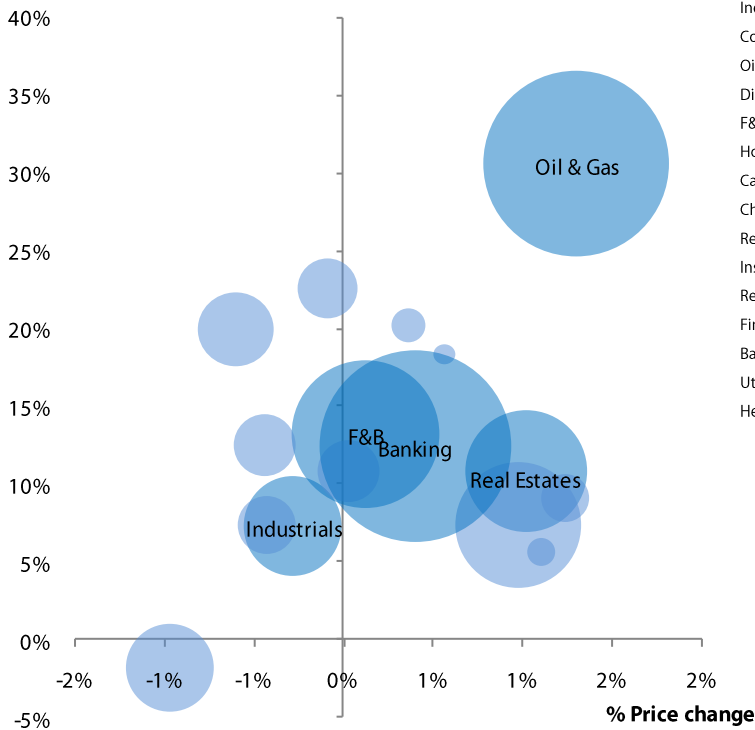


HNX INDEX -0.76% **75.80**

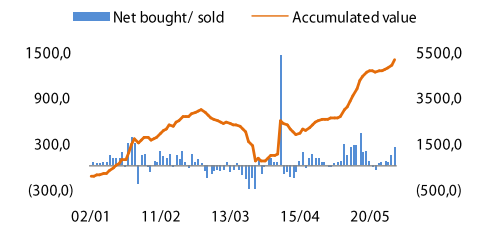


Industry Movement

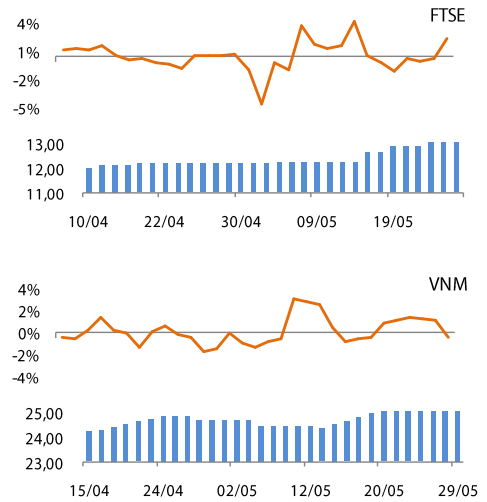
Industry ROE



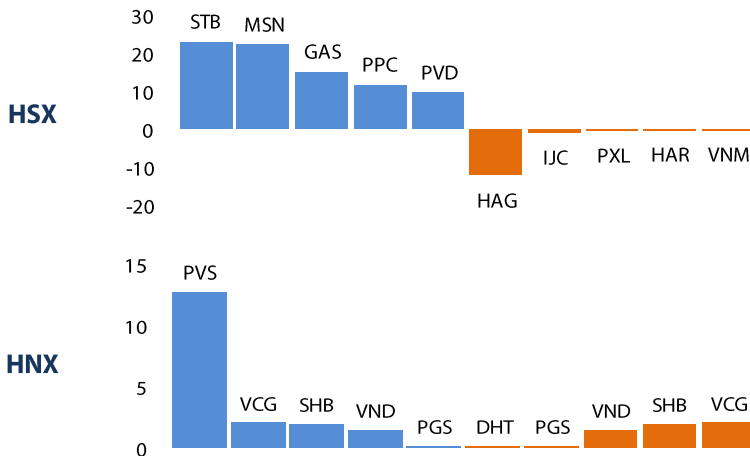
Foreign Investors Trading



ETF



Top net bought/sold by foreigners (VND bn)



Top Active

Ticker	Price	Volume	% price change
FLC	11.10	6.66	-0.9%
IJC	12.50	4.04	-3.9%
HQC	6.60	4.03	-4.4%
VHG	8.90	3.57	2.3%
SSI	24.10	3.34	0.0%

Ticker	Price	Volume	% price change
PVX	5.00	7.94	0.5%
SCR	8.40	5.16	-1.4%
KLS	11.30	4.35	-1.1%
SHB	9.10	4.05	-0.4%
SHS	8.30	3.50	-0.6%

WEEKLY TECHNICAL VIEW

VN-Index

From 26/5/2014 to 30/5/2014, VN-Index jumped 20,52 points (or 3,8%), closed at 562,02. Trading volume reached 413,7 millions shares (reduced 21,6% compared to previous week).

VN-Index conquered the 550 landmark easily thanked to large cap stocks and now is moving towards 570 (equivalent to 50-day simple moving average and Fibonacci Retracement 61,8%).

After three sessions of hesitation around 543, VN-Index soared on Tuesday on high volume and broke above 550. From Wednesday to Friday, VN-Index kept going up but the liquidity did not rise respectively, reflecting investors' hesitation after a strong recovery of VN-Index.

MACD cut above the signal line and kept rising. RSI continued to increase and was above 50. (+DI) went up and cut above (-DI), hinting that the uptrend is prevailing over the downtrend.

550 became the support while 570 is the resistance of VN-Index in a short-term.

HNX-Index

From 26/5/2014 to 30/5/2014, HNX-Index gained 1,22 points (or 1,63%), closed at 75,8. Totally, about 318 million shares changed hands (-8,9%).

Volumes on HNX reduced day by day. The money flow is now focusing on large cap stocks on HSX rather than speculative stocks on HNX.

HNX-Index broke through 76 but was stopped at 77,5 and turned down slightly. It seems that 76 is still the resistance of HNX-Index at this moment.

Indicators such as MACD and RSI showed weakness of HNX-Index. MACD histogram lowered while RSI turned down.

The support and resistance of HNX-Index are 74,5 and 78,5 respectively.

Recommendation: both two indexes kept going up on reduced volumes. Short-term investors may take profits and wait for correction while long-term investors continue holding stocks for long-term goals.



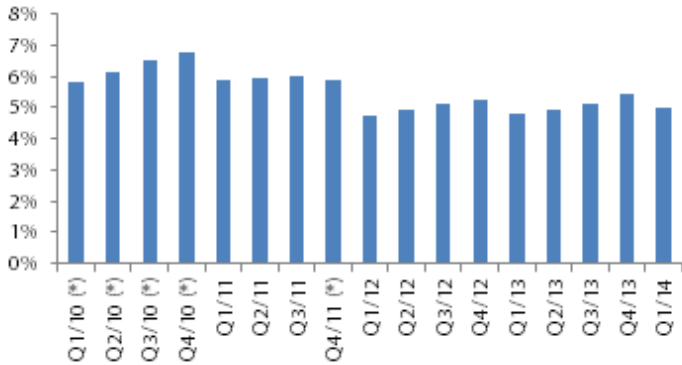
Khai Tran

+84 8 6299 2006 | Ext: 208

khai.tq@vds.com.vn

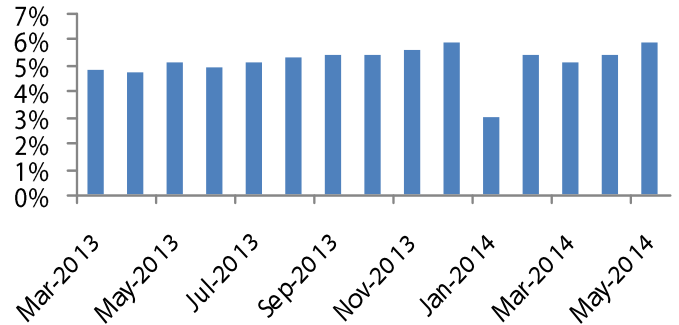
MACRO WATCH

Graph 1: GDP Growth



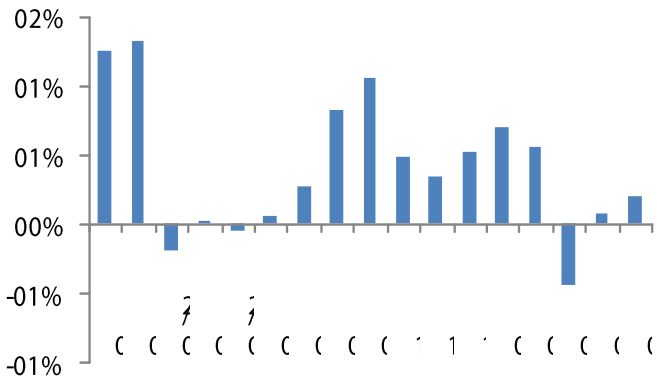
Sources: GSO, Rongviet Securities database
(*) Comparison price in 1994

Graph 2: IIP



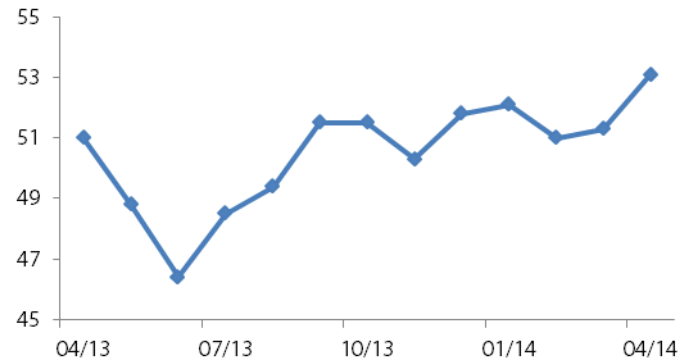
Sources: GSO, Rongviet Securities database

Graph 3: Monthly CPI



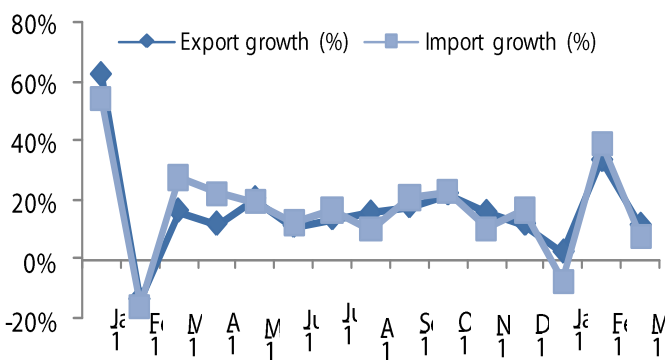
Sources: GSO, Rongviet Securities database

Graph 4: HSBC - PMI



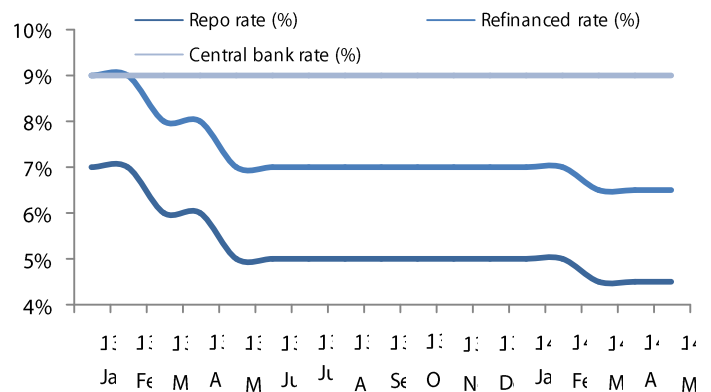
Sources: GSO, Rongviet Securities database

Graph 5: Trade Growth



Sources: GSO, Rongviet Securities database

Graph 6: Interest



Sources: SBV, Rongviet Securities database

RONG VIET NEWS

COMPANY REPORTS	Issued Date	Recommend	Target Price
FPT-Leaping revenue	May 27 th , 2014	Accumulate – Intermediate-term	51,600
NBB-Strengthened cash flows	May 07 th , 2014	Buy – Long-term	36,300
DIG-Reboot	April 28 th , 2014	Accumulated – Long-term	19,200
HPG-Sustainable Development	April 24 th , 2014	Accumulated – Intermediate-term	55,100
CSM-Radial and long-term growth	April 4 th , 2014	Neutral – Intermediate-term	46,700

Please find more information at <http://vdsc.com.vn/tabid/149/language/vi-VN/default.aspx>

FUND CERTIFICATION INFORMATION

Fund name	Trading Day	Subscription Fee (% of trading value)	Redemption Fee (% of trading value)	NAV per unit at valuation date	NAV per unit last valuation date	Change in NAV
VFF	20/05/2014	0.75%	0.75%	10,688	10,337	3.40%
VF1	22/05/2014	0.20% - 1.00%	0.50%-1.50%	20,387	19,816	2.88%
VF4	21/05/2014	1.00%	0.00%-1.50%	8,997	8,584	4.82%
VFA	23/05/2014	0.20% - 1.00%	0.00%-1.50%	7,349	7,342	0.08%
VFB	23/05/2014	0.30% - 0.60%	0.00%-1.00%	10,764	10,784	-0.19%
ENF	16/05/2014	0.00% - 3.00%		9,358	9,414	-0.59%

ANALYSTS

Truc Doan – Head of Research

+ 84 8 6299 2006 | Ext: 314

truc.dtt@vdsc.com.vn

Huyen Ho – Deputy of Research

+ 84 8 6299 2006 | Ext: 339

huyen.htt@vdsc.com.vn

Huy Nguyen

+ 84 8 6299 2006 | Ext: 344

huy.nt@vdsc.com.vn

Tai Nguyen

+ 84 8 6299 2006 | Ext: 315

tai.ntp@vdsc.com.vn

My Tran

+ 84 8 6299 2006 | Ext: 348

my.tth@vdsc.com.vn

Lam Nguyen

+ 84 8 6299 2006 | Ext: 318

lam.ntp@vdsc.com.vn

Khoi Nguyen

+ 84 8 6299 2006 | Ext: 318

khoi.nlm@vdsc.com.vn

Tam Bui

+ 84 8 6299 2006 | Ext: 348

tam.bt@vdsc.com.vn



HỘI SỞ TẠI TP.HCM

Tầng 1-2-3-4, tòa nhà Viet Dragon
141 Nguyễn Du, P.Bến Thành, Q.1, TP.HCM

- T** +84 8 6299 2006
- F** +84 8 6291 7986
- E** info@vdsc.com.vn
- W** www.vdsc.com.vn

CHI NHÁNH HÀ NỘI

2C Thái Phiên, Q.Hai Bà Trưng, Hà Nội

- T** +84 4 6288 2006
- F** +84 4 6288 2008
- E** info@vdsc.com.vn
- W** www.vdsc.com.vn

CHI NHÁNH NHA TRANG

50 Bis Yersin, TP.Nha Trang, Khánh Hòa

- T** +84 058 3820 006
- F** +84 058 3820 008
- E** info@vdsc.com.vn
- W** www.vdsc.com.vn

CHI NHÁNH CẦN THƠ

08 Phan Đình Phùng, Q.Ninh Kiều, TP.Cần Thơ

- T** +84 0710 381 7578
- F** +84 0710 381 7789
- E** info@vdsc.com.vn
- W** www.vdsc.com.vn

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