

“Small room for market growth in September”

- **FTSE announced review result, predicting about VNM ETF’ result**
- **BCC is likely to become the next story following PPC and HT1**
- **Small room for market growth in September**
- **Weekly technical analysis**

FTSE announced review result, predicting about VNM ETF’ result.

According to the latest figure, the number of FTSE Vietnam ETF ‘s outstanding shares declined 280.000 units to 13.21 million units on September 3, 2014. However, the capital withdrawal was less likely to affect the market negatively. Simultaneously, the difference between price and NAV has demonstrated premium of 2.08%, ensuring that the ability of capital withdrawal of FTSE Vietnam ETF in short-term would hardly occur. Today this fund has also unveiled new portfolio for the third review in 2014.

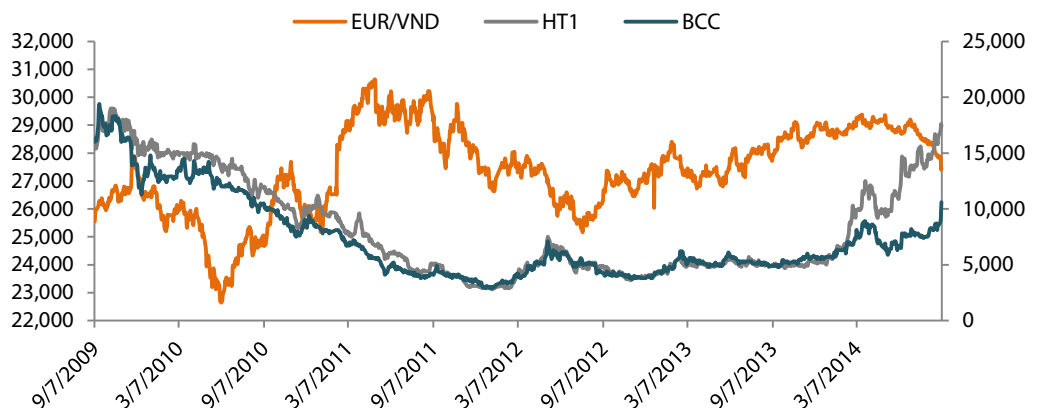
Particularly, KDC, FLC were added to FTSE portfolio; in contrast, GMD, DIG were eliminated. The elimination proceeded from the fact that it did not meet critical criteria of foreign proportion as the foreign room had been down from 49% to 20.4% in preparation for convertible bonds; meanwhile DIG did not fit criteria of volume trading. In accordance with our estimation, FTSE seems to sell roughly 4.7 million units of GMD and 6.4 million units of DIG; otherwise, they might buy about 7.6 million units of KDC and 11.3 million FLC units.

After FTSE Vietnam ETF’ announcement, VNM ETF will also release review result next week (12/09/2014). According to our estimates, GMD will be excluded due to the same reason like FTSE. On the other hand, we think IJC could be included because this ticker now has sufficient conditions to add to VNM ETF (including size, liquidity and free-float). We leave the door open for FLC because the ability to include depends on how VNM ETF chooses: (1) balancing between inclusion and exclusion; (2) outstanding shares of FLC (case of FLC has approved by FTSE).

In this review, our market analyst predicts the sell side will stronger than buy side. For inclusions like KDC, FLC, IJC, the gain potential because of ETF trading is not attractive in our opinion. Meanwhile, for exclusions, our analyst said that investors could consider to accumulate GMD if this review makes its price fell below VND30,000/share.

BCC is likely to become the next story following PPC and HT1.

Chart: The EUR/VND exchange rate, HT1 and BCC price



Yesterday, ECB announced a new stimulus plan with further 10-basis-points interest rate cut and starting purchases of asset-back securities and government bonds in October, 2014. The Euro has strongly reacted after the decision of ECB and fall to the lowest level since July, 2013. The Euro has fallen about 6% against VND since the end of June and the exchange rate EUR/VND is standing at 27,500 now (according to Vietcombank). This movement also affects Vietnam stocks which have a large debts denominated by EUR, mainly cement companies like HT1, BCC, BTS. HT1 has increased during a quite long period, while shares received less attention and have less Euro-debts, news just priced in only today. In particular, BCC has just escaped from warning thanks to positive 1H2014' profit. At the end of Q2/2014, BCC had debts of nearly VND2,400 bn (~EUR82,6 mn). According to BCC' newest quarterly financial statements, if the euro rate fell 10 basis points, pre-tax profits would increase nearly VND2 bn, while the 1% decrease of exchange rate could help EAT increased VND19bn. We expect BCC is likely to become the next story following PPC and HT1.

Small room for market growth in September.

Market closed in red in the last trading of this week because the negative effect from large-cap such as VIC, GAS, MSN. However, we could image today' session as "red shell, blue heart" because the majority of shares soared. Oil & Gas' shares (except GAS) recovered after small correction, while some tickers showed prominent attraction for cash flow such as TCM, PLC or GSP, PVE.

In the Strategic Report for Sep, 2014, we expect market could be continued to benefit from optimistic sentiment and strong cash flow. Besides, ETF' portfolio restructuring and stories related to some individual shares can create trading opportunities for investors. However, we believe that there is small room for market in September, the range for VNIndex would be 610-650 points and 83-91 points for HNIndex. Last week, we mentioned about speculating on "Prospects", this "Prospects" will be dissected in more detailed in our upcoming September Strategic Report whose general idea says too many brightness in seen in the picture already.

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WEEKLY TECHNICAL VIEW

VN-Index

After the National Day holiday, VN-Index continued to go up, gained 2 points (or 0,31%), closed at 638,65. About 474 million shares changed hands in three trading sessions of the week.

After breaking above 633, VN-Index is now struggling around 640 area. Traders should watch for an extended move higher to trend line resistance at around 655 or a move back to 630 area to retest before a move higher.

There was a doji candlestick on September 03 on high volume, showed that strong selling forces appeared. Area around 640 is also the upper trend line of the current up channel and may play roll as VN-Index's resistance in a short-term.

Looking at technical indicators, the MACD remains bullish while the RSI appears overbought at 78,3. The ADX rose to 39,5 indicates a strong up trend of VN-Index.

HNX-Index

In three trading sessions of the week, HNX-Index added 1,5 points (or 1,72%), closed at 88,54. About 232 million shares changed hands.

HNX-Index gained points in 9 consecutive sessions and reached the 88 area (equivalent to 78,6% Fibonacci Retracement). Traders should watch for an extended move higher to previous peak at 93 or a move back to retest its trend line support at around 85.

Looking at technical indicators, the RSI and MACD remain in a strong bullish uptrend.

The ADX rose sharply and steady to 45, showing that the current trend of HNX-Index is very strong.

Recommendation:

HNX-Index kept rising while VN-Index's rally stalled somewhat. The uptrend is still in progress and investors should hold stocks longer and let the profits run.

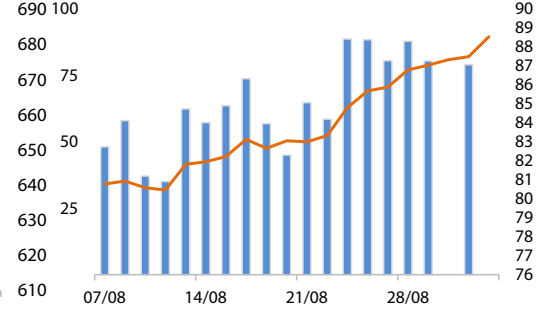
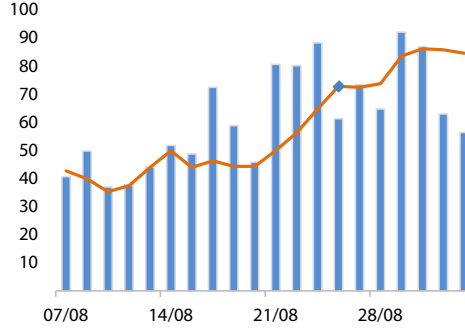
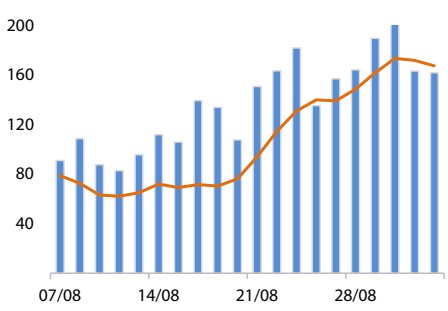


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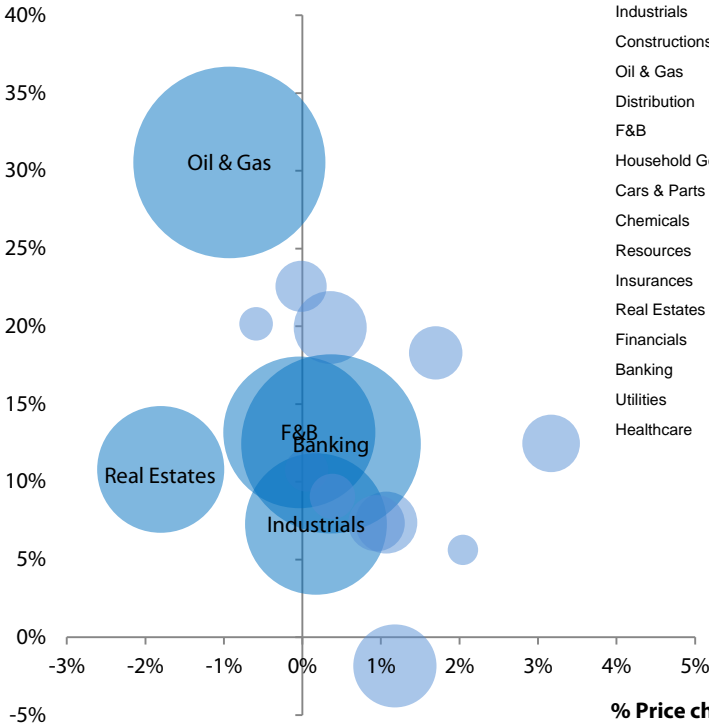
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VNINDEX -0.25% 638.65 **VN30 -0.14% 677.62** **HNXINDEX 1.19% 88.54**



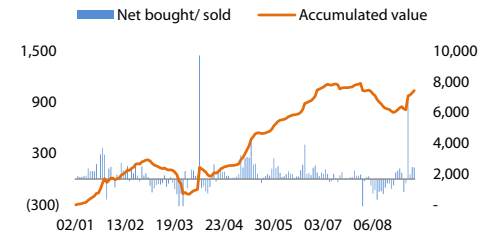
Industry Movement

Industry ROE

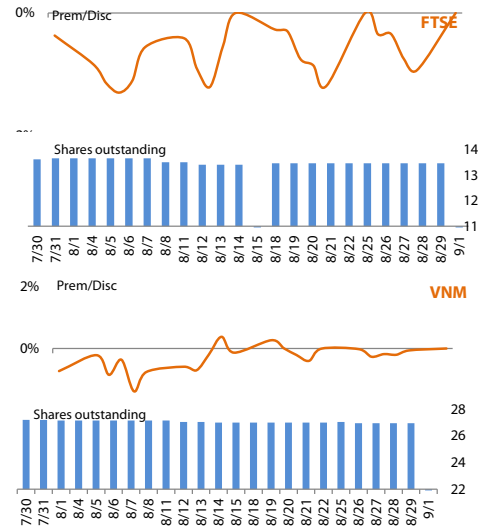


Industry	% change
Technologies	1.7%
Industrials	0.2%
Constructions	1.2%
Oil & Gas	-0.9%
Distribution	2.0%
F&B	0.0%
Household Goods	0.1%
Cars & Parts	-0.6%
Chemicals	3.2%
Resources	0.0%
Insurances	0.4%
Real Estates	-1.8%
Financials	1.1%
Banking	0.4%
Utilities	0.9%
Healthcare	0.4%

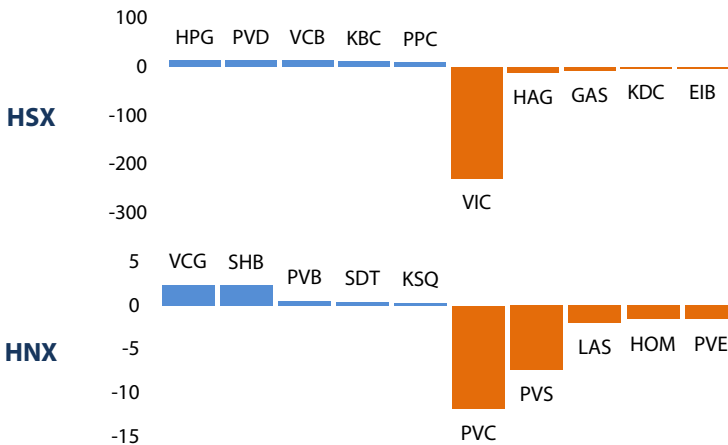
Foreign Investors Trading



ETF



Top net bought/sold by foreigners (VND bn)



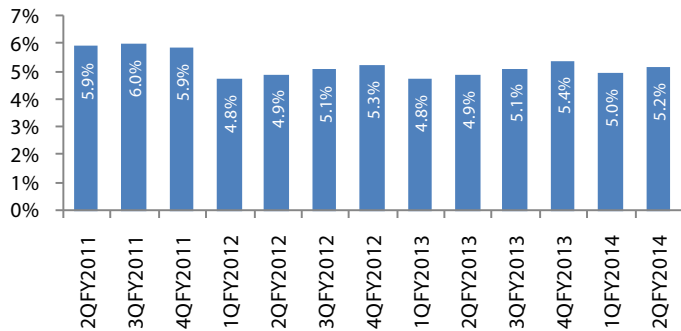
Top Active

Ticker	Price	Volume	% price change
FLC	13.00	13.70	0.0%
ITA	9.30	7.20	0.0%
VIC	55.50	5.20	-3.5%
SAM	11.80	4.30	-0.8%
KBC	15.40	3.70	2.0%

Ticker	Price	Volume	% price change
PVX	6.10	11.80	7.0%
SCR	10.80	6.50	2.9%
KLF	12.80	6.40	-1.5%
SHB	9.80	5.40	0.0%
FIT	15.40	3.20	4.1%

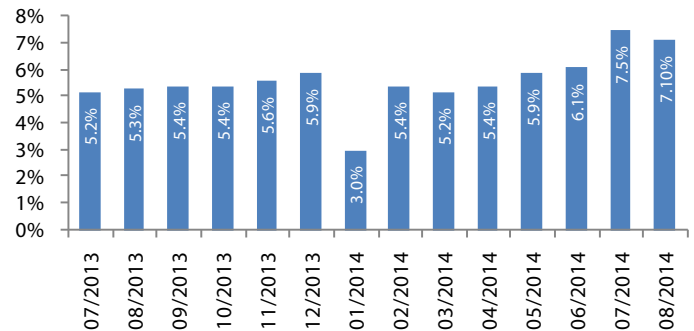
MACRO WATCH

Graph 1: GDP Growth



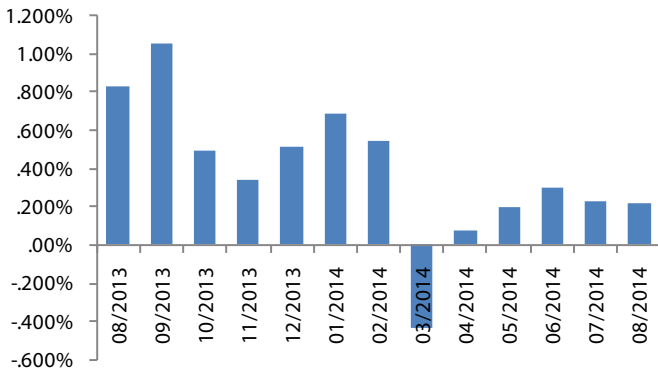
Sources: GSO. Rongviet Securities database
(*) Comparision price in 1994

Graph 2: IIP



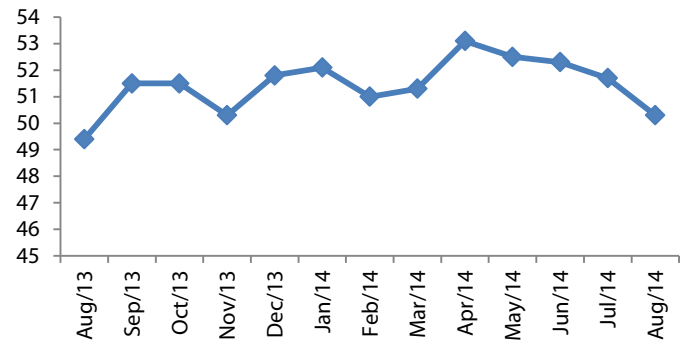
Sources: GSO. Rongviet Securities database

Graph 3: Monthly CPI



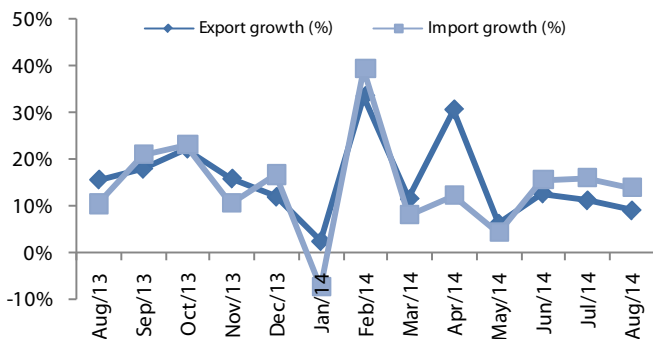
Sources: GSO. Rongviet Securities database

Graph 4: HSBC - PMI



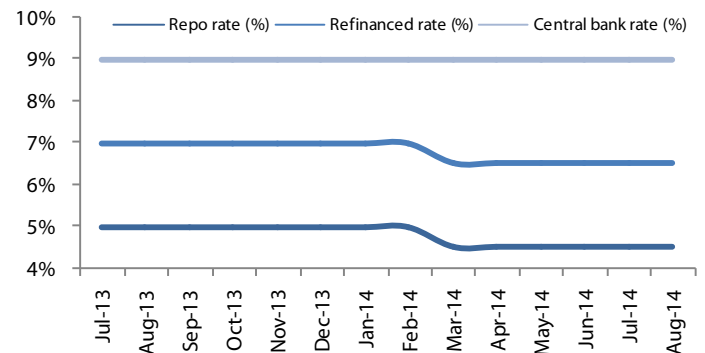
Sources: GSO. Rongviet Securities database

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
HSG - The hard part has gradually done!	Aug 21 st . 2014	Accumulate – Intermediate term	48.100
HPG - On the way to dominate nationwide’ market shares	Aug 12 th . 2014	Accumulated – Intermediate-term	66.400
NBB – A new chaater with co-investment	Jul 31 st . 2014	Buy – Intermediate term	27.400
DBC-Benefit from decline in material price	May 27 th . 2014	Buy – Long-term	28.000
FPT-Leaping revenue	May 27 th . 2014	Accumulate – Intermediate-term	51.600

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	19/08/2014	0-0.75%	0-2.5%	11,297	11,191	0.95%
VF1	21/08/2014	0.20% - 1.00%	0.50%-1.50%	22,541	22,289	1.13%
VF4	20/08/2014	0.20% - 1.00%	0.00%-1.50%	10,272	10,088	1.82%
VFA	22/08/2014	0.20% - 1.00%	0.00%-1.50%	7,644	7,571	0.97%
VFB	22/08/2014	0.30% - 0.60%	0.00%-1.00%	11,236	11,110	1.14%
ENF	15/08/2014	0.00% - 3.00%		10,309	10,255	0.53%

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