

**MARCH**

**11**

**WEDNESDAY**

*“A possibility of depreciating VND in short term?”*

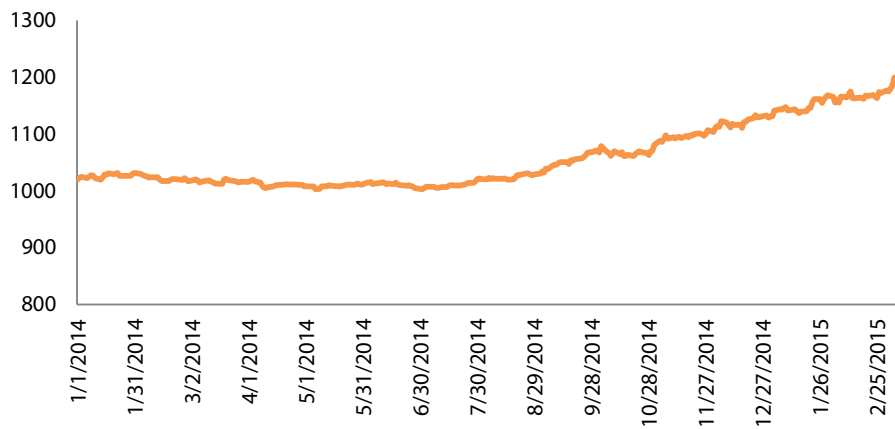
**ADVISORY DIARY**

- **A possibility of depreciating VND in short term?**
- **Yesterday's trading did not happen again!**

**A possibility of depreciating VND in short term?**

Today morning, we pay further attention to the movements of US dollar on global market. Observing Bloomberg Index that calculates variation in the six most common currencies against dollar, we reckoned a surge in 11th March (+8%). The index reached 1,209 points and surpassed the peak at March 2009 (1144 points).

**Figure: Bloomberg index movement of 6 currencies**



Sources: RongViet Research compiled

In the list, most currencies depreciated such as Brazil, Yen, AUD from 1/1/2013 to now, equivalent to 52%, 39%, 29%.

**Figure: % depreciation of certain currencies to dollar from 1/1/2013 to now**

Currency	% depreciation
<b>BRL</b>	-52%
<b>JPY</b>	-39%
<b>CAD</b>	-29%
<b>AUD</b>	-27%
<b>MXN</b>	-23%
<b>EUR</b>	-19%
<b>CHF</b>	-9%
<b>GBP</b>	-8%
<b>KRW</b>	-6%
<b>CNH</b>	-1%
<b>VND</b>	-3%

Sources: RongViet Research compiled

According to the latest survey of Duke University, one thirds of thousands senior executives believe that the value of US dollar will be appreciated by 10% compared with Euro. Relatively, the EU's product export to US market will have further competitive advantage because value of dollar

is appreciated. In particular, EU's total export turnover to US market already increase up to 17.02% (2014) compared with 16.62% in 2013. However, we concern how the movement of these two currencies affect Vietnam's product.

The Central Banks committed a stable exchange rate USD/VND at 1-2% per year, which will have an effect on the Vietnam export as competitiveness perspective. With this commitment, Vietnam currency will be appreciated against Euro while US dollar increases. Hence, Vietnam exportation into EU's market will have less competitive advantage compared with other countries. Particularly, currencies of largely imported proportion to Europe such as China, Russia, Korea depreciated 1%, 107%, 6% to dollar from 2013 to now.

Some investors concerned about the possibility of depreciating viet nam dong in upcoming period. However, it is less likely to happen due to

- The currency rate of commercial banks increased slightly, but still be 1.31% lower than the ceiling rate of VND 21,673/USD as Central bank's regulation
- USD/VND currency rate has recently adjusted 1% since January 2015
- The Central Bank will observe export-import activity at least 4-5 months before considering appropriate policy

**Figure: Asking price at certain banks on 3/11/2015**

Banks	Asking price 3/11/2015
VCB	21,385
ACB	21,390
CTG	21,385
EIB	21,390
HD	21,390
HSBC	21,400
STB	21,400
AGR	21,385
BIDV	21,380

Sources: RongViet Research compiled

**Yesterday's trading did not happen again!**

After the recovery in yesterday session, the investors traded in cautious psychology. However, VNIndex regained green color due to an buying increase. This was quite similar to yesterday when banking sector play a supporting role for VNIndex. Nevertheless, the scenario changed in the very last minutes of today's session. The lack of banking sector's supporting, the downtrend spread blue-chips in VN30. What is more, penny and mid-cap stocks also dropped 0.53% and 0.3% respectively. Consequently, VNIndex closed at 586 point, slumped 3 points.

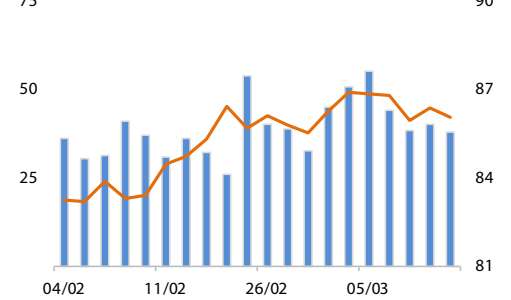
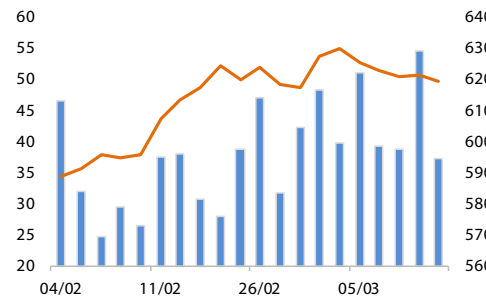
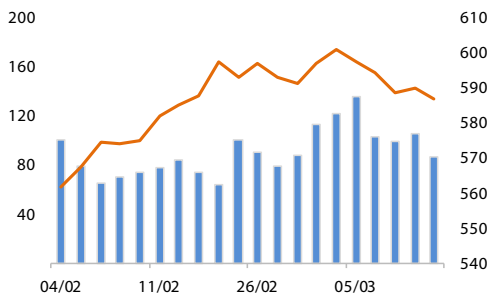
This fluctuation, today, remained relative liquidity of VND 2,132 billion. As our view, the market may transfer to better result if the information of gasoline's increasing VND 1,600 did not publish. Addition to a pick-up in electricity price in near future will raise the concern of Vietnamese inflation. Psychologically, as our view, the impact can prolong. However, analysts have to re-evaluate the benefit in some industries from the slump of crude oil price

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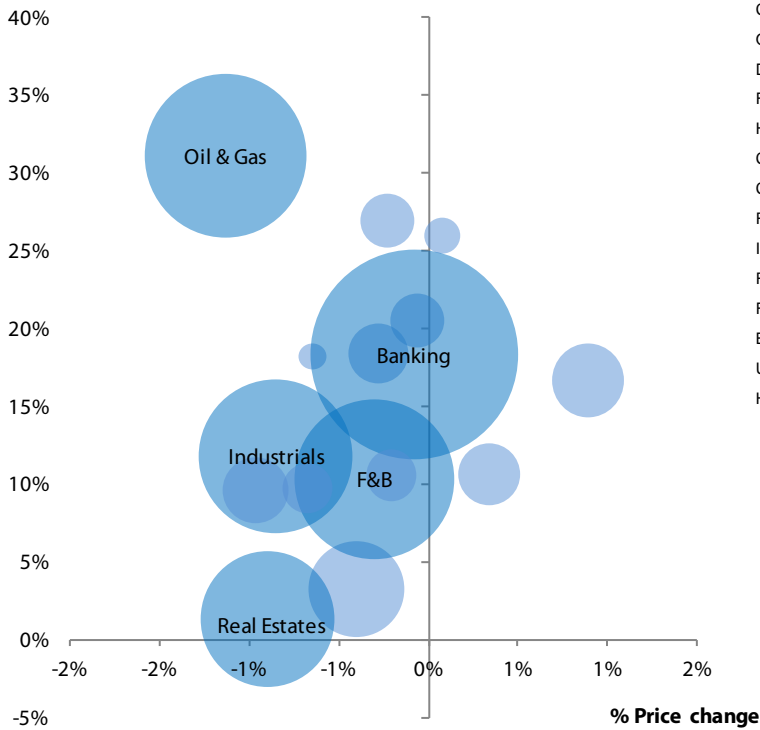
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**VNINDEX -0.53% 586.54    VN30 -0.29% 619.27    HNXINDEX -0.41% 86.01**



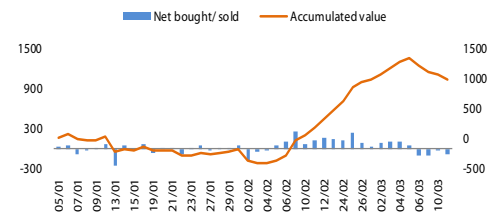
**Industry Movement**

**Industry ROE**

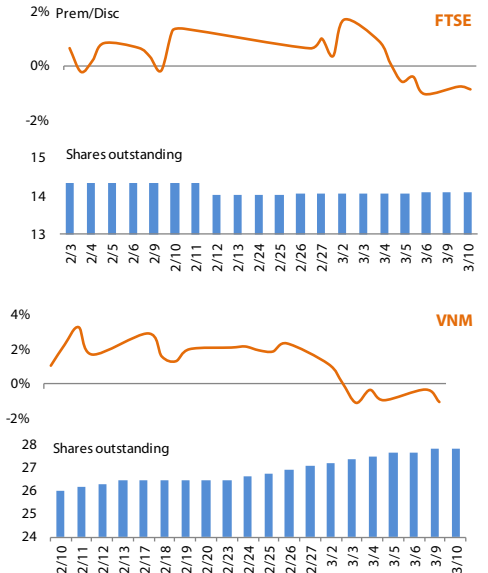


Industry	% change
Technologies	-0.1%
Industrials	-0.9%
Constructions	-0.4%
Oil & Gas	-1.1%
Distribution	-0.7%
F&B	-0.3%
Household Goods	-0.7%
Cars & Parts	0.1%
Chemicals	-0.3%
Resources	-0.2%
Insurances	0.9%
Real Estates	-0.9%
Financials	-1.0%
Banking	-0.1%
Utilities	0.3%
Healthcare	-0.2%

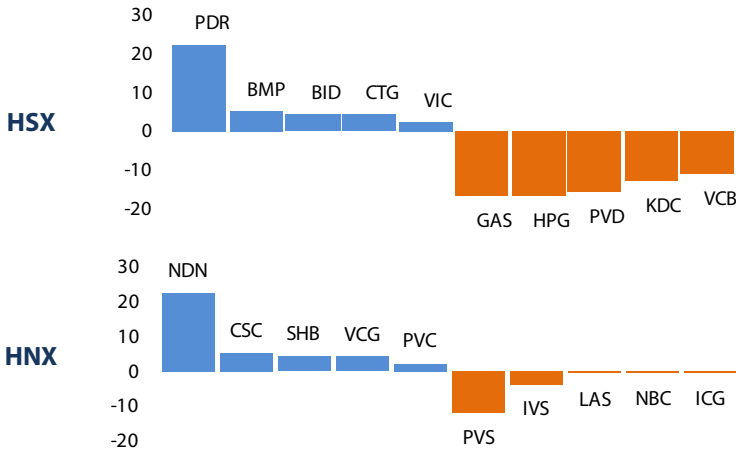
**Foreign Investors Trading**



**ETF**



**Top net bought/sold by foreigners (VND bn)**



**Top Active**

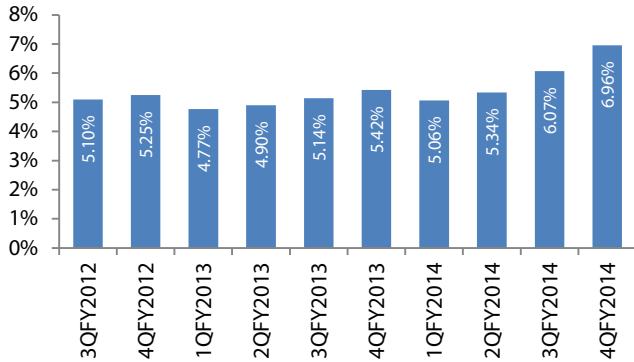
Ticker	Price	Volume	% price change
FLC	11.6	9.82	0.0%
STB	20.4	3.85	3.0%
HAI	14.8	3.56	1.4%
ITA	7.5	3.25	-1.3%
JVC	23.2	3.22	0.9%

Ticker	Price	Volume	% price change
PVB	35.2	4.62	10.0%
KLF	10.6	2.77	0.0%
FIT	18.0	2.25	-1.6%
SHN	3.6	1.49	-7.7%
SHB	8.9	1.41	-1.1%

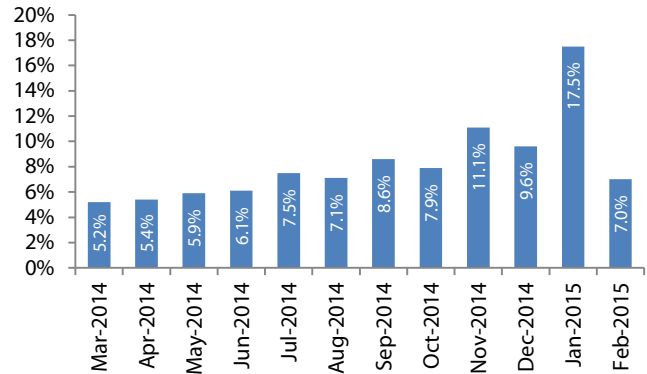
**MACRO WATCH**

**Graph 1: GDP Growth**



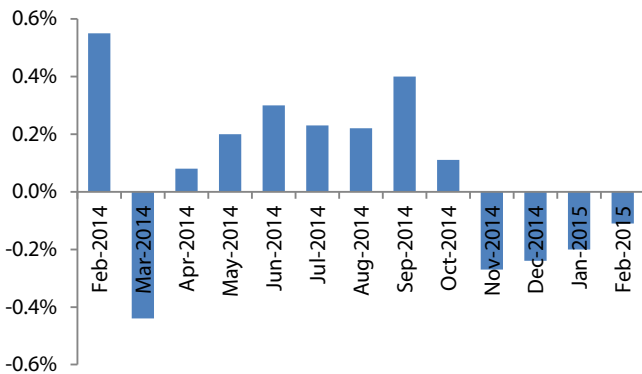
Sources: GSO. Rongviet Securities database  
(\* Comparison price in 1994)

**Graph 2: IIP**



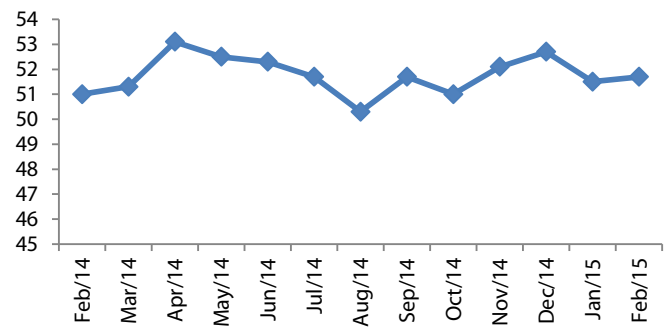
Sources: GSO. Rongviet Securities database

**Graph 3: Monthly CPI**



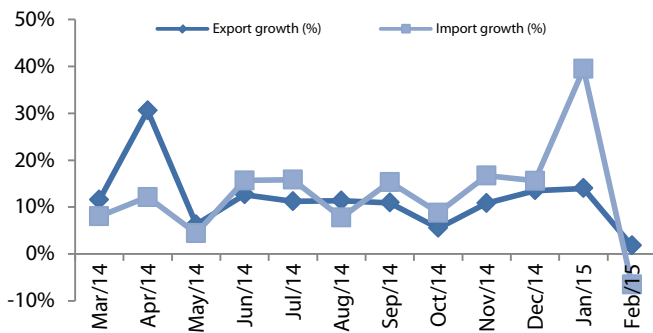
Sources: GSO. Rongviet Securities database

**Graph 4: HSBC - PMI**



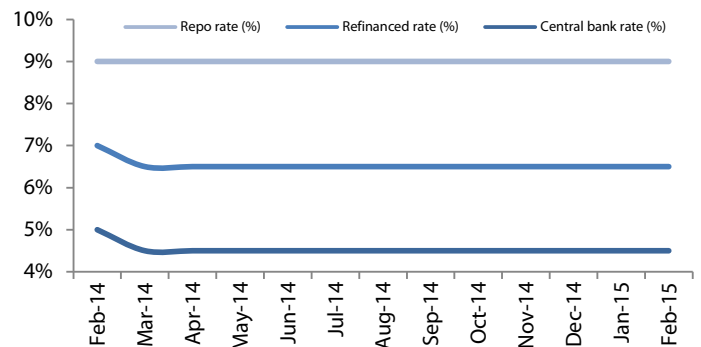
Sources: GSO. Rongviet Securities database

**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
PAC- Opportunities along with challenges	Jan 14 <sup>th</sup> , 2015	Accumulate – Intermediate term	27,500
HMH - Positive outlook from various supporting factors	Jan 06 <sup>th</sup> , 2015	Accumulate – Long term	33,800
DPM - Tail wind from crude oil	Dec 26 <sup>th</sup> , 2014	Buy – Intermediate term	36,100
VNM - 2014 - At the pit stop	Dec 19 <sup>th</sup> , 2014	Accumulate – Long term	110,000
PCT – Restructuring	Dec 11 <sup>th</sup> , 2014	Monitor	

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	27/01/2015	0%-0.75%	0%-2.5%	11,583	11,454	1.13%
VEOF	27/01/2015	0%-0.75%	0%-2.5%	9,627	9,567	0.63%
VF1	30/01/2015	0.2% - 1%	0.5%-1.5%	21,515	21,452	0.29%
VF4	28/01/2015	0.2% - 1%	0%-1.5%	9,337	9,218	1.29%
VFA	30/01/2015	0.2% - 1%	0%-1.5%	7,415	7,371	0.58%
VFB	30/01/2015	0.3% - 0.6%	0%-1%	12,015	11,912	0.86%
ENF	23/01/2015	0% - 3%	0%	10,481	10,790	-2.86%
MBVF	22/01/2015	1%	0%-1%	11,115	11,176	-0.54%
MBBF	21/01/2015	0%-0.5%	0%-1%	11,880	11,921	-0.34%

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