

APRIL

03

FRIDAY

ADVISORY DIARY

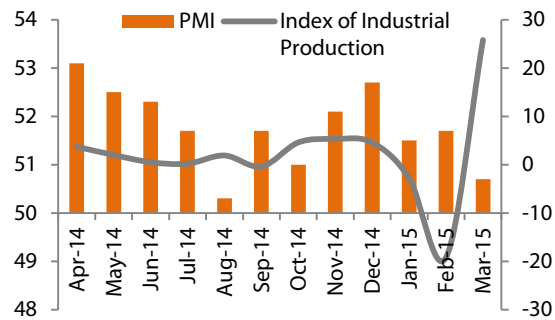
Is “Thermometer” of the economic inactive?

Over the last few days, we continuously receive positive macroeconomic information about economic situation in the first quarter of 2015 which was recently released. However, stock market seems to not take a role as a “thermometer” of the economic.

According to RongViet Research, the pillar that supports economic growth in 2015 is the production in industrial sector which has confirmed about the “durability” in first quarter growth of 2015. In addition, industrial production index in 1st quarter increased by 9.1% yoy (compared with the increase of 5.3% in 2014 and 4.9% of 2013). In particular, we also recognized the extraordinary growth in processing industry among the indices used to calculate GDP growth rate, reaching 9.01% yoy, contributed approximately 1.4 percentage points to GDP growth rate in Q12015. Furthermore, in recent released report from HSBC, purchasing managers’ index (PMI) of March continued to expand, illustrated through the maintaining above 50 points in the 19 consecutive months.

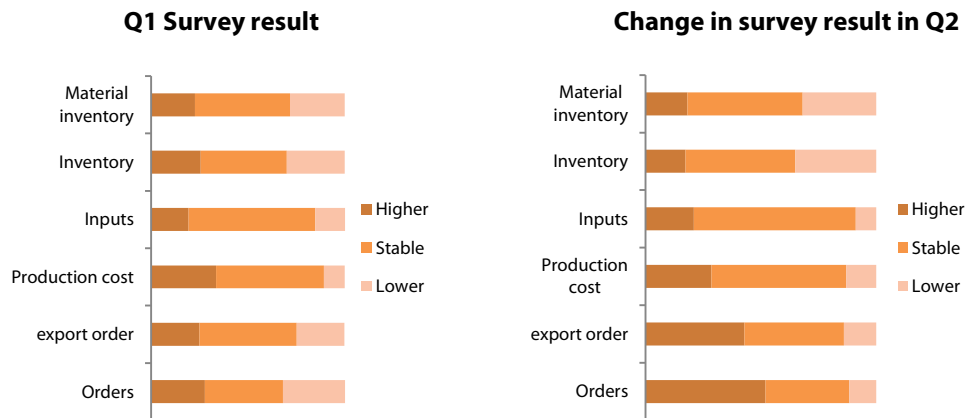
**“Is
“Thermometer
” of the
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inactive?”**

Exhibit: Change in PMI and Index of Industrial Production



Source: GSO, RongViet Research

Exhibit 2: Survey of business trends from companies in processing industry



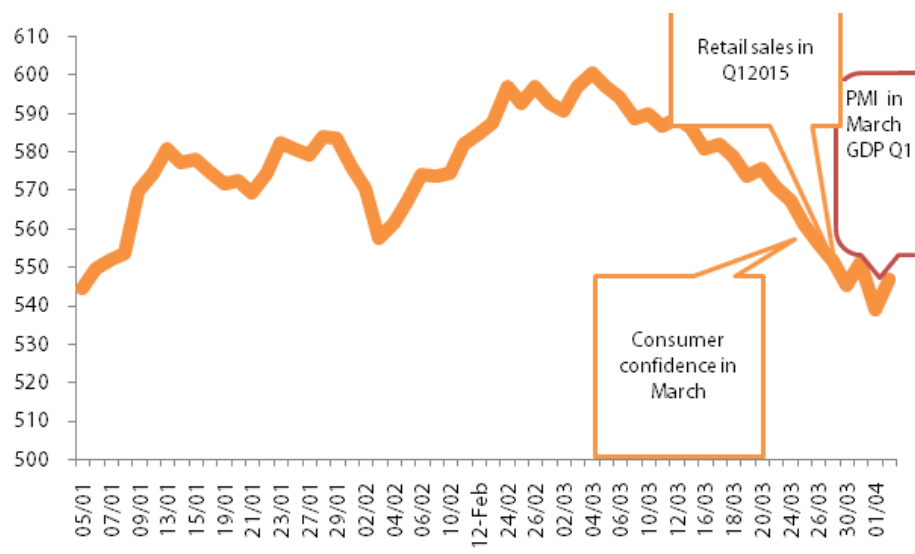
Source: GSO, RongViet Research

In the GSO’s survey of business trends from companies in processing industry, we found majority of the companies assessed that production would be stable in Q1 – 2015. In addition, interpreting from the result of trending survey in Q2 – 2015, we conclude that the proportion of the firms having production and exporting orders is better than Q1 – 2015, corresponding to 52.1% and

42.9%. As a result, the stability from many aspects generates positive growth in manufacturing enterprises as demand improves. However, we also note that the positive growth from production in processing industry does not reflect on all types of enterprise in Vietnam. Greatest concern at this moment is the positive growth of GDP and industrial production mostly come from foreign investment. Meanwhile, domestic business situation is showing some signs of difficulty. To be more precise, there are 16,175 domestic firms forced to suspend their operation, increased by 14.2% yoy.

Recently mentioned reason in conjunction with weak cash flow due to the psychological impact of several operating policies (36 & 210 Circular) led the market plunged continuously from early March until now. In this week, the index alternatively fluctuated, VNIndex lost further 0.63% and HNIIndex lost 0.57%. Looking back this week, the lack of “new” supported information, “precarious” market transactions and at several points in time, VNIndex returned to the milestone at the start of the year. Investor psychology is unstable and easily affected by rumors in the market, whereas the positive macro-news (GDP Q1 -2015, retail sale growth) did not bring clear affect to investors’ psychology. With the movements of industry groups, we found no groups that became the focus of market observations this week.

Exhibit 3: Change in stock market in Q12015



Source: RongViet Research

However, foreign investors’ activities seem to be a brighter spot this week despite of lowering net buying value. More specific, foreign investors net bought of VND 49 billion in both exchanges, conversely with a net selling value of VND 710 billion in the previous week. They focused on CII and banking stocks (VCB, BID), meanwhile keeping their net sought oil&gas stocks (PVD, GAS).

In terms of market movement next week, our market analyst supposed that without the effects of Decree No.36 and Decree No.210, market would likely to trade more actively in April. In upcoming period, Q12015 earning results seems to be an expected factor and we suppose good results would bring positive outlook for stock prices. However, it would likely to happen in some industries having positive prospects in 2015.

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WEEKLY TECHNICAL VIEW

VN-Index

VN-Index lost 3.57 points (or 0.65%), closed at 547.85. Trading volume was equal to previous week with 422 million shares changed hands.

VN-Index fell sharply to 537.5 on heavy volume and then recovered slightly on low volumes. The index is now quite near its support area at around 532 (equivalent to 78.6% Fibonacci Retracement). VN-Index may accumulate for few sessions before a move higher. Any recovery from here will meet resistance at around 558.

Looking at technical indicators, the fallings of MACD and the RSI are easing. The MACD turned flat while the RSI turned up from oversold territory.

The +DI turned up while the -DI turned down showing that the downtrend is weakening.

Traders should be patient and waiting for reversal signals appear.



HNX-Index

HNX-Index lost 0.47 points (or 0.57%), close at 81,93. Trading volume kept going down with only 165 million shares changed hands.

HNX-Index went down to reach its support at 80 and then reversed on extreme low volumes. The recovery may be resisted at 82.5-83 area. Increasing volumes in next sessions are needed to confirm the reversal.

Looking at technical indicators, the MACD remains bearish while the RSI and Stochastics turned up from oversold territory.

On weekly chart, a hammer candlestick appeared, hinting that a reversal may come soon.



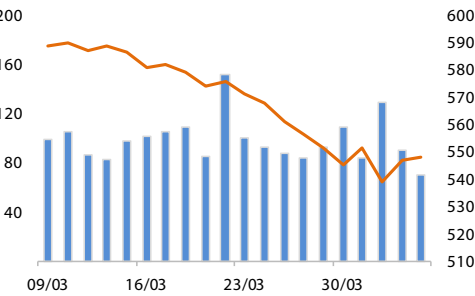
Recommendation: Both VN-Index and HNX-Index turned up from support areas on low volumes. Traders may disburse partly and wait for more reversal signals appear.

Khai Tran

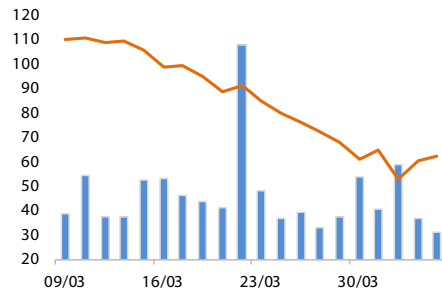
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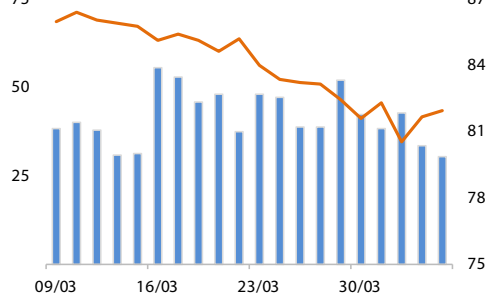
VNINDEX 0.18% **547.85**



VN30 0.27% **577.66**

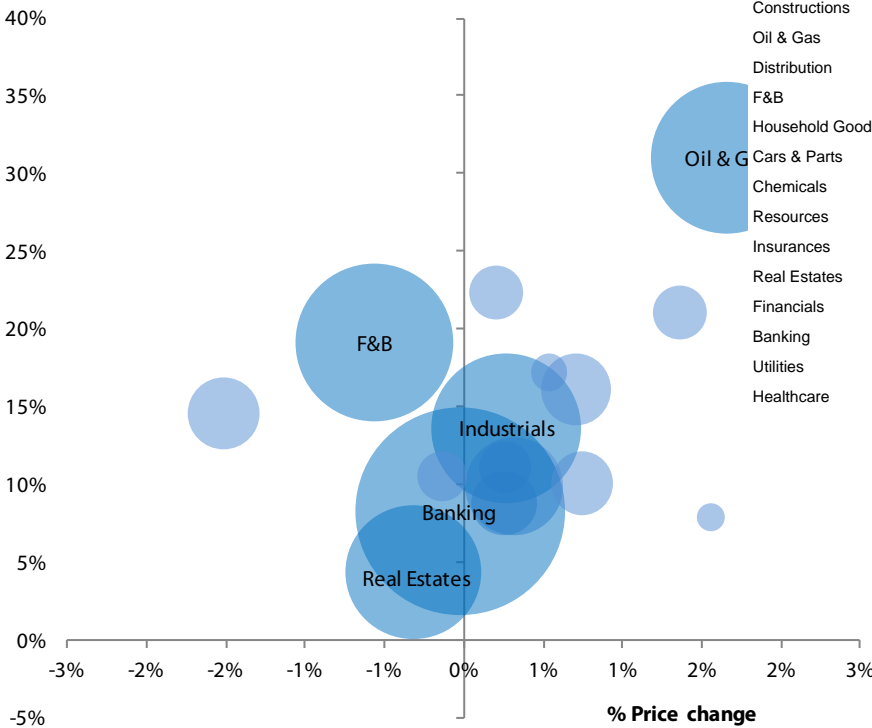


HNXINDEX 0.40% **81.93**

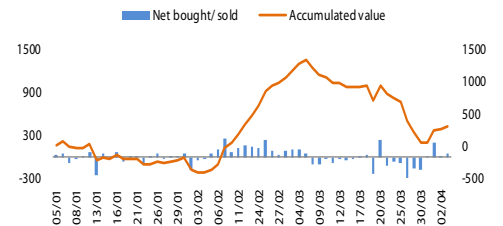


Industry Movement

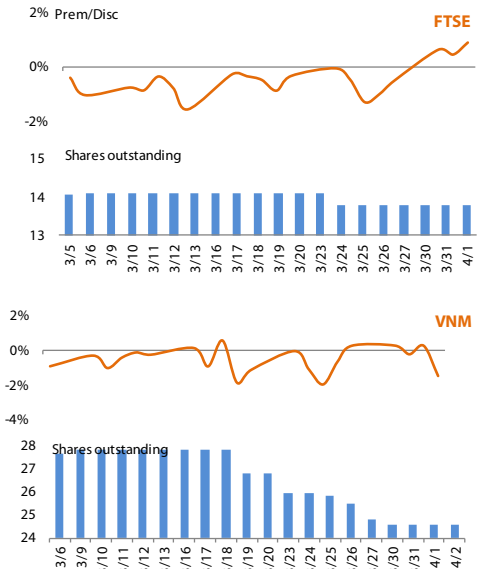
Industry ROE



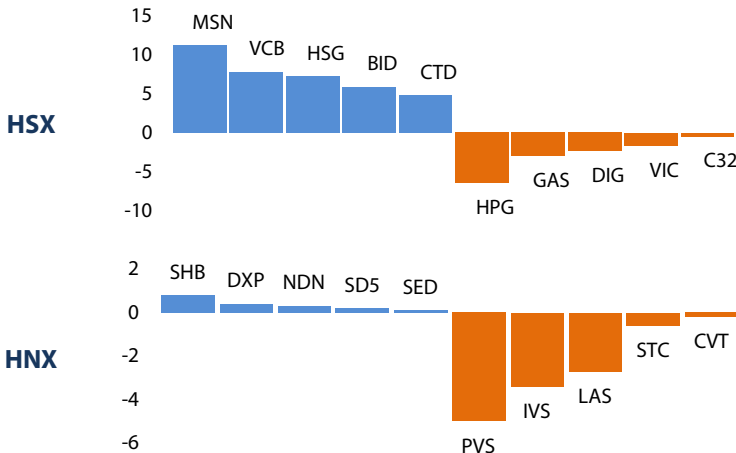
Foreign Investors Trading



ETF



Top net bought/sold by foreigners (VND bn)



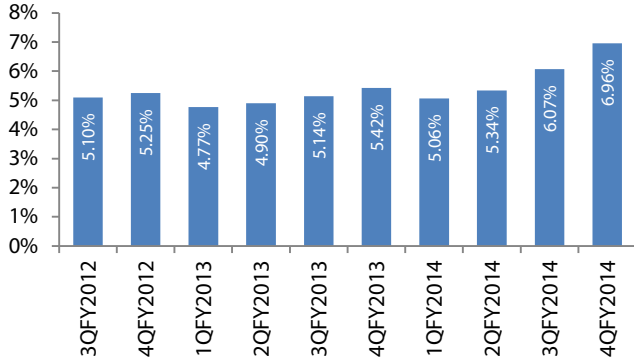
Top Active

Ticker	Price	Volume	% price change
FLC	10.6	12.65	0.0%
OGC	4.9	4.93	4.3%
HAI	11.0	3.93	-2.7%
DLG	9.1	3.77	1.1%
HQC	6.5	3.43	1.6%

Ticker	Price	Volume	% price change
FIT	17.2	3.70	1.2%
KLF	9.0	2.35	-1.1%
NDN	18.3	1.37	3.4%
SCR	7.2	1.12	1.4%
CEO	13.1	1.12	1.6%

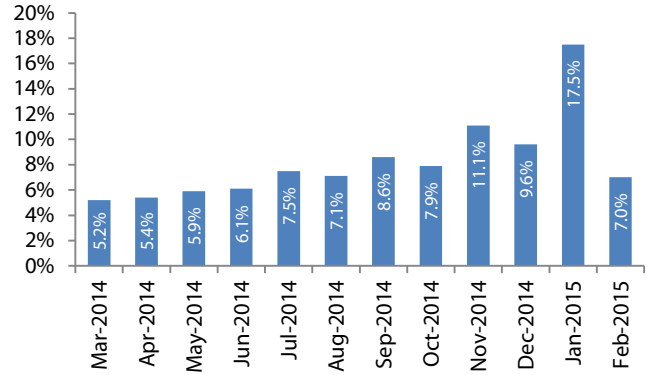
MACRO WATCH

Graph 1: GDP Growth



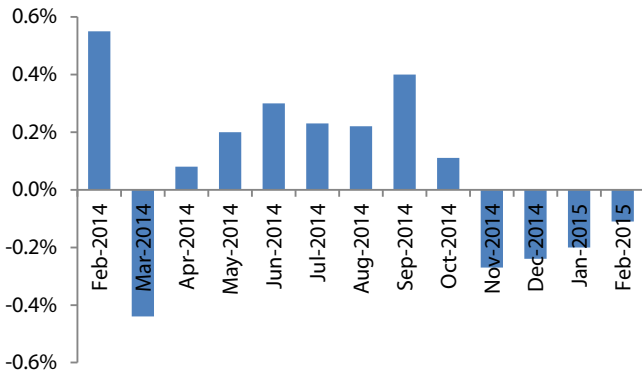
Sources: GSO. Rongviet Securities database
(* Comparison price in 1994)

Graph 2: IIP



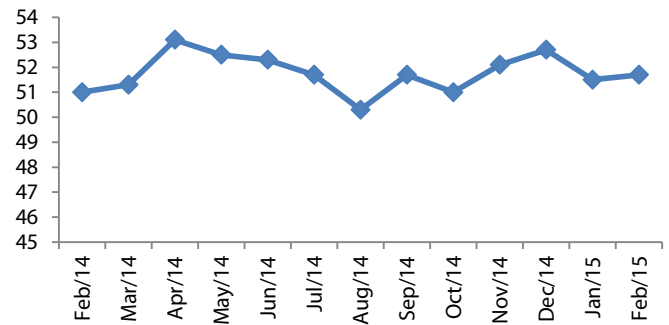
Sources: GSO. Rongviet Securities database

Graph 3: Monthly CPI



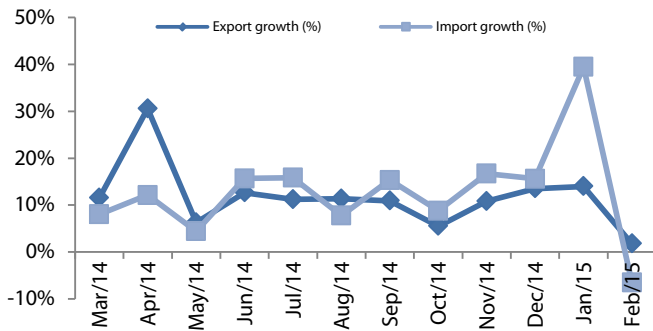
Sources: GSO. Rongviet Securities database

Graph 4: HSBC - PMI



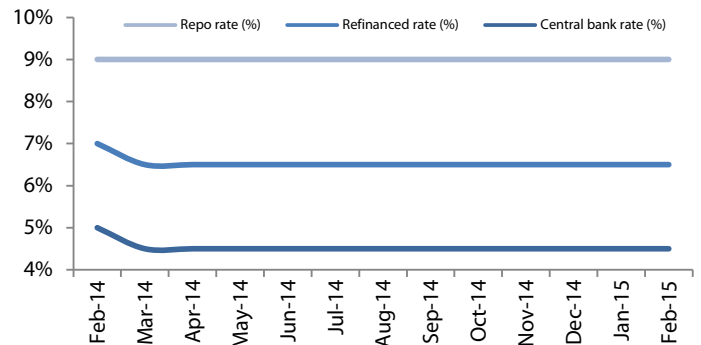
Sources: GSO. Rongviet Securities database

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 th , 2015	Accumulate – Intermediate term	27,500
HMH - Positive outlook from various supporting factors	Jan 06 th , 2015	Accumulate – Long term	33,800
DPM - Tail wind from crude oil	Dec 26 th , 2014	Buy – Intermediate term	36,100
VNM - 2014 - At the pit stop	Dec 19 th , 2014	Accumulate – Long term	110,000
PCT – Restructuring	Dec 11 th , 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	10/03/2015	0%-0.75%	0%-2.5%	11,730	11,725	0.04%
VEOF	10/03/2015	0%-0.75%	0%-2.5%	9,871	9,695	1.82%
VF1	16/03/2015	0.2% - 1%	0.5%-1.5%	21,715	21,772	-0.26%
VF4	11/03/2015	0.2% - 1%	0%-1.5%	9,530	9,552	-0.23%
VFA	13/03/2015	0.2% - 1%	0%-1.5%	7,402	7,457	-0.73%
VFB	13/03/2015	0.3% - 0.6%	0%-1%	12,187	12,179	0.06%
ENF	06/03/2015	0% - 3%	0%	10,951	10,868	0.76%
MBVF	26/02/2015	1%	0%-1%	11,081	11,100	-0.17%
MBBF	11/03/2015	0%-0.5%	0%-1%	12,032	11,966	0.55%

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