

MARCH

06

FRIDAY

“ETF FTSE Vietnam Review results with no surprise”

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ADVISORY DIARY

- **ETF FTSE Vietnam Review result with no surprise - Power stocks excited with new rates**

End of today session, both exchanges closed in red when VNIndex and HNIIndex lost 2.94 points and 0.02 point, respectively. The majority of the shares being strongly sold were stocks in VN30 group such as *BVH, VIC, VCB, VNM, MSN,...*; this group also had 19/30 tickers down at the end of the day. Meanwhile, banking stocks, except VCB and SHB, increased simultaneously at the last minutes and "braked" for the decline of the indexes. Today's liquidity was also quite low compared to average level of this week; matching volume reached only about VND2082 billion. Notably, foreign investors ***sold net VND 111 billion on the indexes*** after 15 consecutive sessions of net buying. This might cause psychological concern for domestic investors and declining trend could continue in the next week.

Contrary to the general evolution of the market, ***the power stocks traded quite strong and rose*** in stock prices such as NT2 (+4.7%), TMP (+4.1%), VSH (+2,2%), TBC (+2%),... after the information about the adjustment of electricity price being announced in the Government meeting yesterday afternoon. Specifically, electricity prices will increase 7.5% to average VND1,622.05/kWh since March 16,2015. Our industry analysts suppose that this electricity price will cause some different impacts to the earnings of businesses. With powder companies, the rise in electricity price might not help enhance the profitability because selling price was set in the contract with EVN. However, the ***production cost of manufacturing companies such as cement, steel, fertilizer, chemicals,...*** could significantly increase cause electricity accounts for a considerable proportion of COGS (10-20%). Looking at the macro perspective, the electricity price climb might have some impacts on the consumer price index of this April. Our macro analyst believe that inflation increase should not cause concern due to the current price level is quite low; CPI fell by 0.11% in February compared to January.

European Central Bank (ECB) made known the massive stimulus will start from March 9th, 2015 with ***buying EUR60 billion per month in the 19-month period***. The Governing Council of the ECB also decided to keep the interest rate unchanged at a record low of 0.25%. Our macro analyst supposed that the new stimulus brings new hope for the recovery of EU economy. As for GDP growth, the ECB's economists lifted their outlook for this year to 1.5 percent, for 2016 to 1.9 percent, and projected 2.1 percent in 2017.

Up to now, almost 20 central banks have cut their key interest rates to boost economic growths. Reserve Bank of India recently cut its key interest rate ***from 7.75% to 7.5%*** for the second time in two months (the first time was in January 2015). According to Rob Subbaraman (Chief economist of Nomura Group), he said ***"we expect more central banks to surprise with either the timing or size of any monetary policy easing"***, and therefore, the wave of monetary easing is more likely to expand this year.

WEEKLY TECHNICAL VIEW

VN-Index

VN-Index added 1.4 points (or 0.24%), closed at 593.97. Trading volume rose strongly up to 519 million shares (+62.7%).

The second time in two weeks, VN-Index hit the 600 landmark but failed to pass through. VN-Index is likely to retreat to 585-590 area to test the 200-day moving average before a move higher.

VN-Index is now moving above 200, 100, 50 and 26-day moving averages. It means that the current intermediate-term trend is up and traders should buy on corrections.

Looking at technical indicators, both the MACD and the RSI are neutral in a short-term although they are still bullish in a longer term.

The ADX indicator is raising shows that the intermediate-term uptrend is developing.

Next week, the trading range of VN-Index may be between 585 and 605.



HNX-Index

HNX-Index gained 1.02 points (or 1.19%), closed at 86.79. The liquidity also increased 41.6% with 218 million shares changed hands.

The 87 resistance is quite solid. In two recent weeks, HNX-Index hit the 87 landmark twice but it seems that HNX-Index needs more time to pass through.

Looking at technical indicators, both the MACD and the RSI remain neutral.

Next week traders should watch for a continuing move down to 86 area to retest the 100-day moving average or a break out above the 87 resistance.



Recommendation:

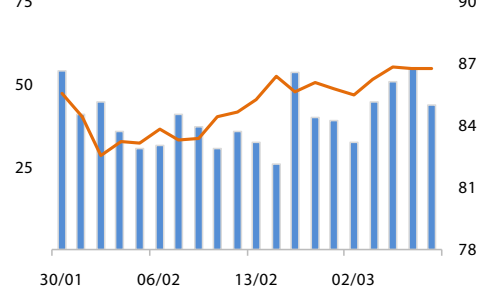
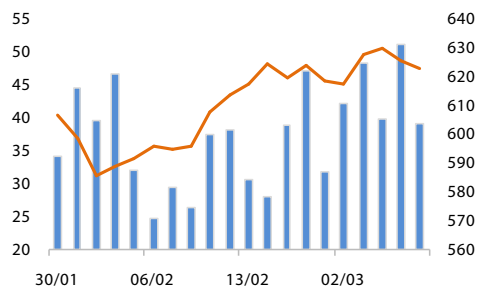
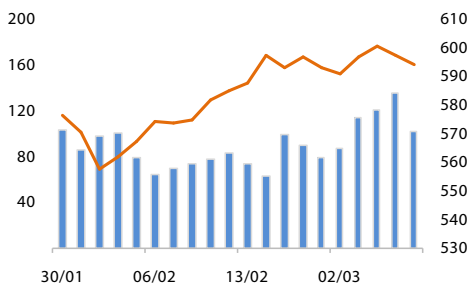
Both VN-Index and HNX-Index are struggling at strong resistances. The long-term perspective of the market is bullish and traders should buy on corrections.

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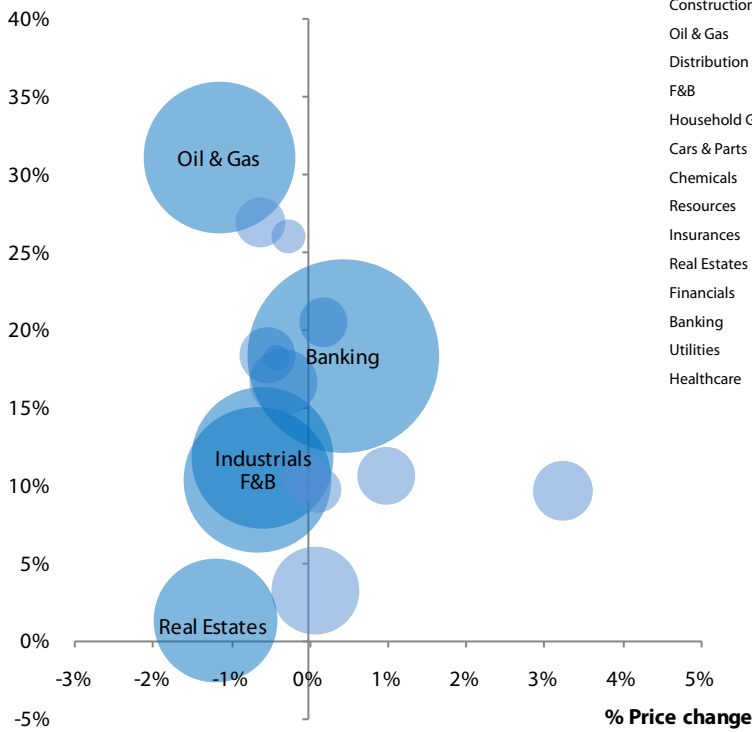
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VNINDEX -0.49% 593.97 VN30 -0.40% 622.75 HNXINDEX -0.02% 86.79



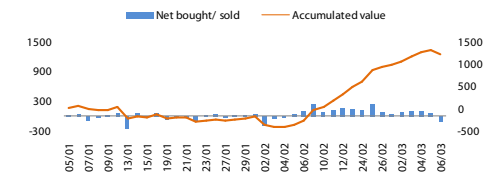
Industry Movement

Industry ROE

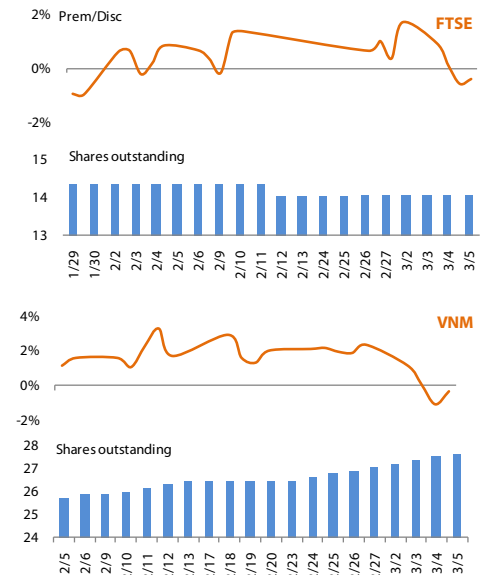


Industry	% change
Technologies	0.2%
Industrials	-0.6%
Constructions	0.1%
Oil & Gas	-1.2%
Distribution	-0.4%
F&B	-0.7%
Household Goods	0.1%
Cars & Parts	-0.3%
Chemicals	-0.5%
Resources	-0.6%
Insurances	-0.3%
Real Estates	-1.2%
Financials	3.2%
Banking	0.4%
Utilities	1.0%
Healthcare	0.0%

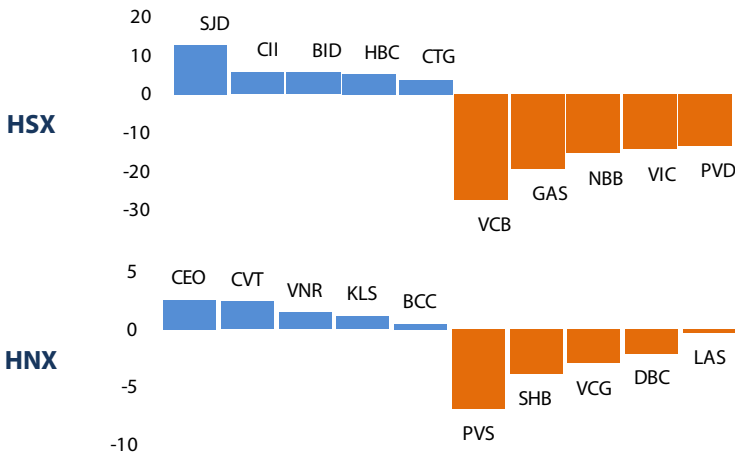
Foreign Investors Trading



ETF



Top net bought/sold by foreigners (VND bn)



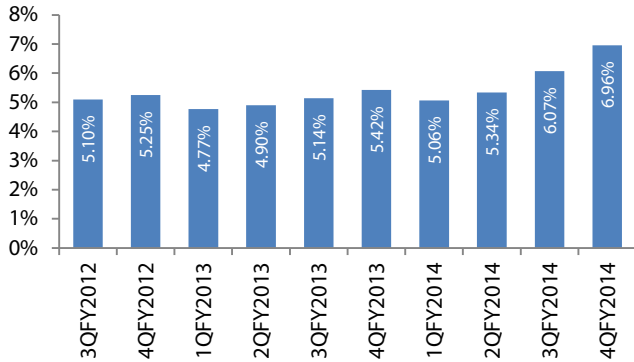
Top Active

Ticker	Price	Volume	% price change
FLC	11.2	7.66	-0.9%
HAI	16.6	6.32	6.4%
KBC	17.0	4.58	0.6%
CTG	19.1	3.72	1.6%
BID	18.5	3.67	2.2%

Ticker	Price	Volume	% price change
KLF	10.7	3.64	0.0%
SCR	8.1	3.36	-1.2%
SHB	8.9	2.38	-1.1%
VIX	15.9	1.89	-4.8%
HUT	16.5	1.68	0.0%

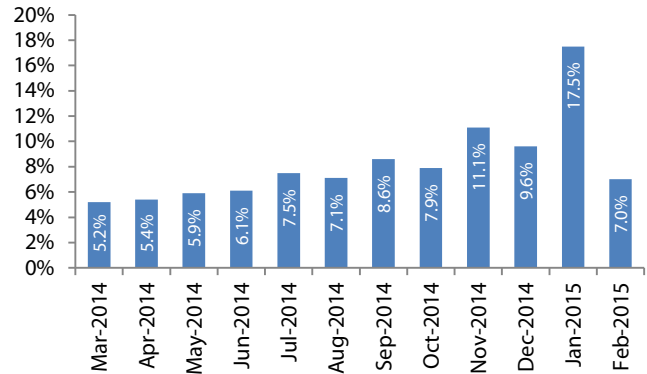
MACRO WATCH

Graph 1: GDP Growth



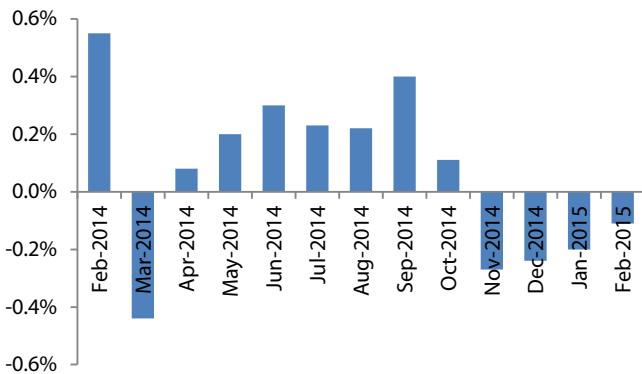
Sources: GSO. Rongviet Securities database
(* Comparison price in 1994)

Graph 2: IIP



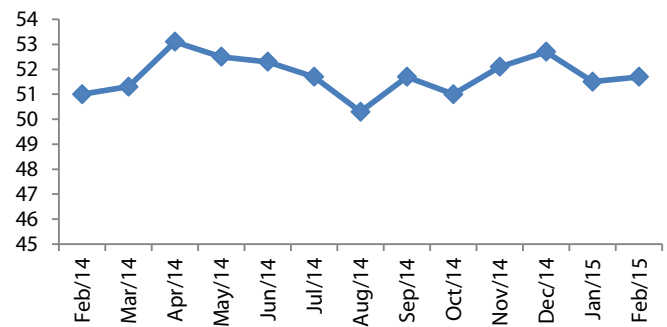
Sources: GSO. Rongviet Securities database

Graph 3: Monthly CPI



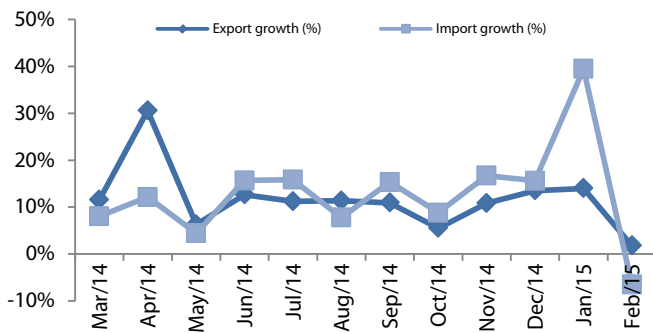
Sources: GSO. Rongviet Securities database

Graph 4: HSBC - PMI



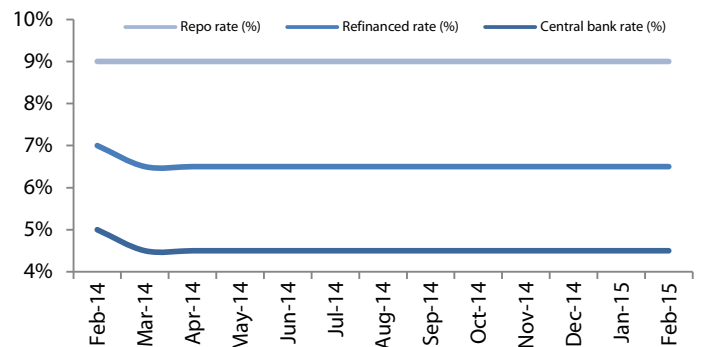
Sources: GSO. Rongviet Securities database

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	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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