

“The national CPI could increase in June?”

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The stock market is predicted to be slightly positive

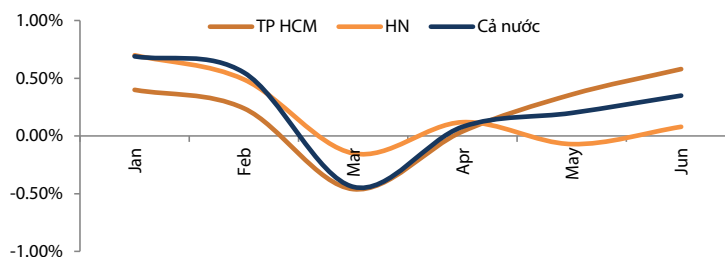
After the restructure of ETF portfolios, the market performed with opposite movements. The HSX index closed at 565.92 points, increased by 5 points. This was the first “green” session after 5 consecutive downs of last week. Nevertheless, the number of ups and downs still held the majority, totally there were 81 increased tickers, 67 stabilized tickers and 114 declined tickers. It was likely that the rise of VNIndex today was due to the significant up of blue-chips tickers such as MSN, GAS, HPG and HSG. On the contrary, the HNX exchange still did not escape from “red” color with slight down. Specifically, HNIndex reached 75.98 points, decreased by 0.33 points, equivalent to 0.43% over last weekend.

After two high-liquidity sessions last week resulted from ETFs’ review, the today session is back to low liquidity level as usual. Specially, the total volume in both exchanges declines to 57% of the average of last week. The similar scenario happens to foreign investors. The value of foreign net-bought is VND 45 bn in HSX and VND 13 bn in HNX, equivalent to 65% and 40% of the average last week respectively.

In this week, the stock market is predicted to be slightly positive with more “green” sessions than the reds. However, VNIndex will be unlikely to excess 575 pts due to the lack of catalysts for large-cap stocks to increase and concerns of Technical Analysis (TA) about the adjustment might influence the investors’ sentiment. From the positive perspective of annual performance, we suggest that investors could accumulate the BUY-categorized stocks advised by RongViet Research in the “red” sessions.

The national CPI could increase in June?

The CPI of June among provinces and the whole country had been gradually released since last weekend. Notably, whereas CPI in Hanoi slightly rose by 0.08% compared to last month, HCMC recorded a significant increase in CPI by 0.58% compared to May, respectively 6.43% and 5.52% over the same period of last year. The major reason for this strong growth was due to the price’s adjustment in healthcare service since June 1st 2014 at HCMC, based on Circular No.4/2012/TTLT-BYT-BTC in terms of the maximum frame price of medical service.



Source: GSO, RongViet Research

According to our economist, there is a relationship between CPI of two largest cities, Ha Noi and HCMC, and the nation’s. This relationship is that the national CPI usually tends to closed to CPI of the place whose higher price fluctuation. Based on this observation, we estimate that inflation of

whole Vietnam in June will increase closely to 0.58% of HCMC. Besides, the price of gas increases by VND 5000 per 12kg gas tank. It is 2nd increase since the beginning of 2014, and creates pressure on the index. For these reasons, the whole Vietnam CPI in June is predicted to continue to grow. We also estimate that the CPI could increase by 0.25 – 0.40% compared to the last month.

	HCMC	Ha Noi	Nation	Higher price fluctuation	Proximity
Jan	0.40%	0.70%	0.69%	HN	HN
Feb	0.24%	0.49%	0.55%	HN	HN
Mar	-0.46%	-0.15%	-0.44%	HCM	HCM
Apr	0.04%	0.12%	0.08%	HN	HN+HCM
May	0.36%	-0.07%	0.20%	HCM	HCM
Jun	0.58%	0.08%	0.35%*	HCM	

*: RongViet Research estimation

Source: GSO, RongViet Research

Under the context of recent adjustment of exchange rate by 1%, the back of increasing inflation brought concerns about monetary policy. However, as discussed in previous advisory diary, the exchange rate adjustment had been scheduled in advance and brought positive prospect for exports. In addition, compared to inflation rate before 2013, we evaluate the rise in CPI would still be under the control. Hence, the objective of macroeconomic stability in this year could still be completely achieved.

Huy Nguyen

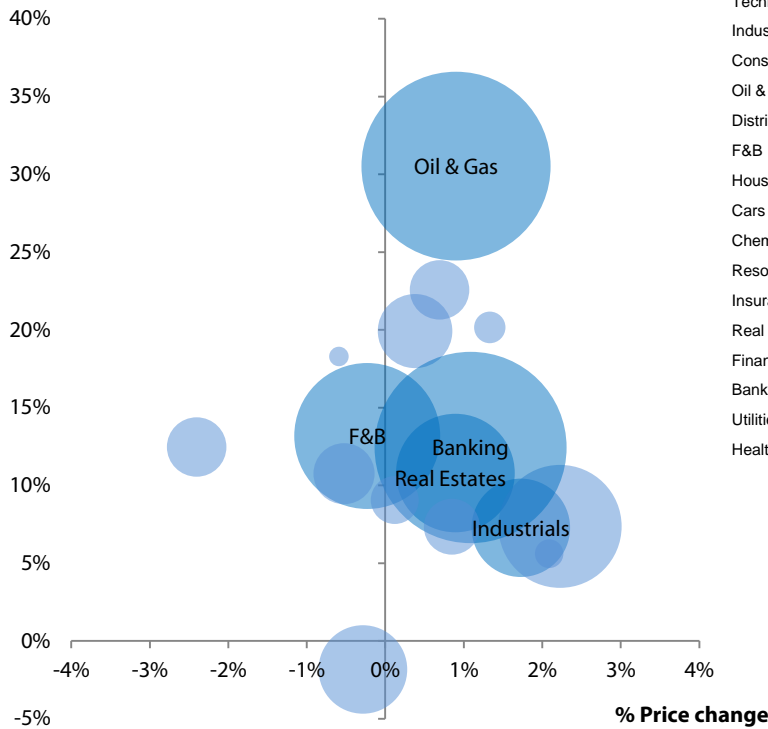
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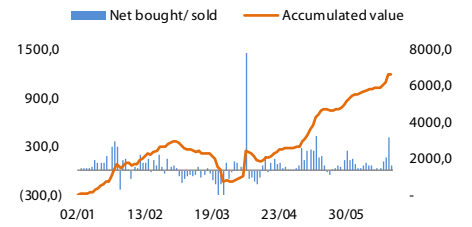


Industry Movement

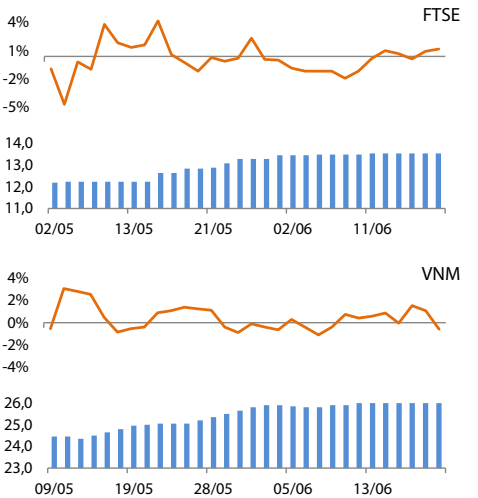
Industry ROE



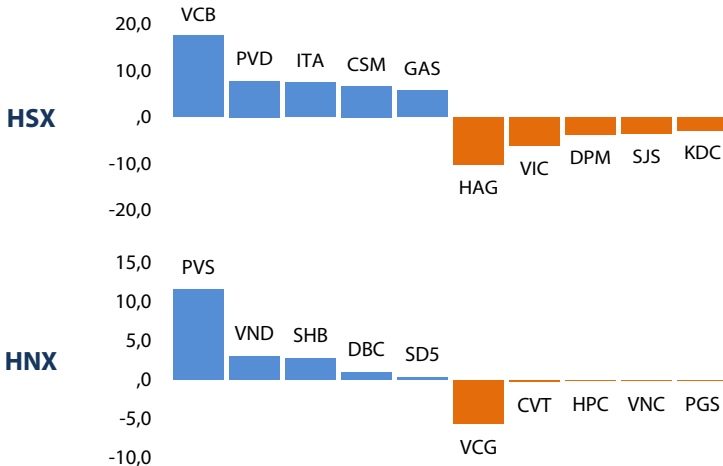
Foreign Investors Trading



ETF



Top net bought/sold by foreigners (VND bn)



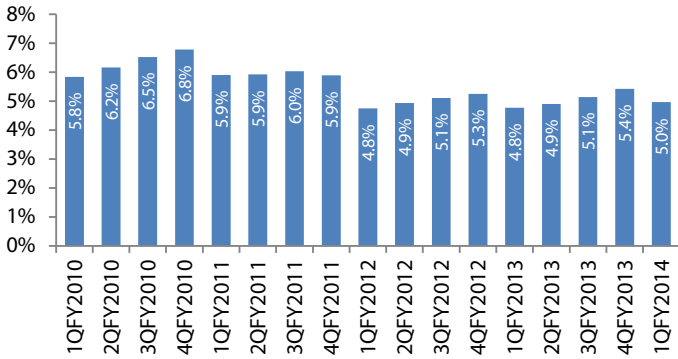
Top Active

Ticker	Price	Volume	% price change
FLC	10.50	4.27	-1.0%
ITA	8.00	4.11	1.3%
HQC	7.50	2.11	-1.3%
IJC	12.20	1.71	-2.4%
SSI	25.10	1.64	-0.8%

Ticker	Price	Volume	% price change
SCR	8.30	4.36	-1.6%
KLF	11.00	3.40	-1.8%
PVS	27.30	2.43	1.3%
PVX	4.00	2.16	0.0%
SHB	9.00	1.86	-1.4%

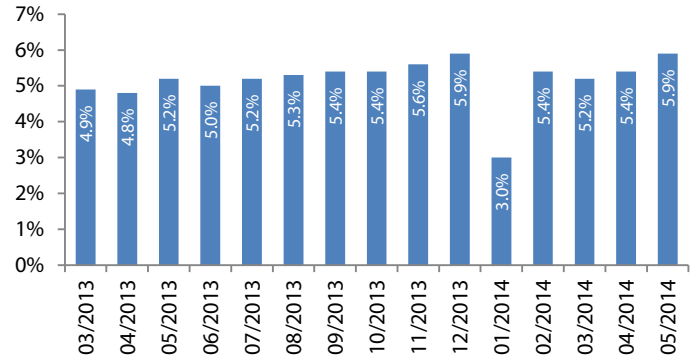
MACRO WATCH

Graph 1: GDP Growth



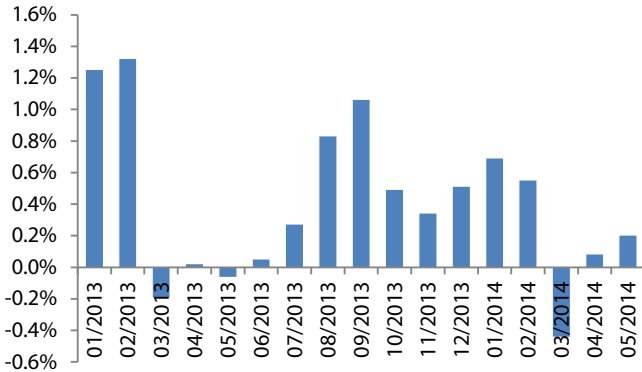
Sources: GSO, Rongviet Securities database
(* Comparison price in 1994)

Graph 2: IIP



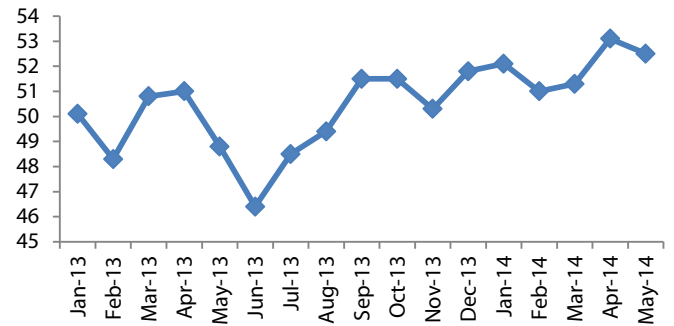
Sources: GSO, Rongviet Securities database

Graph 3: Monthly CPI



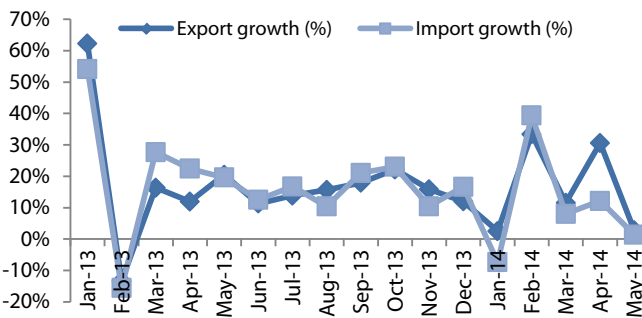
Sources: GSO, Rongviet Securities database

Graph 4: HSBC - PMI



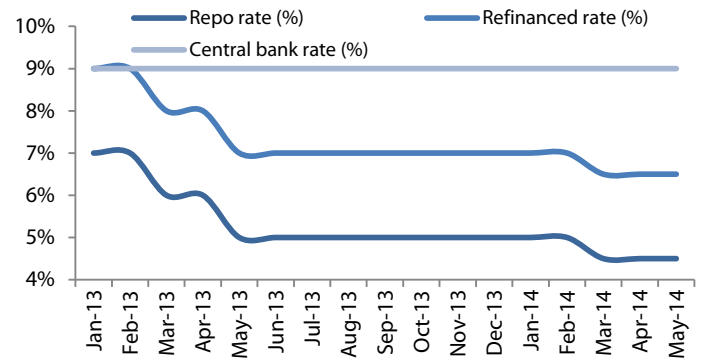
Sources: GSO, Rongviet Securities database

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
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
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

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	17/06/2014	0.75%	0.75%	10,790	10,761	0,27%
VF1	19/06/2014	0.20% - 1.00%	0.50%-1.50%	20,974	20,784	0,92%
VF4	18/06/2014	0.20% - 1.00%	0.00%-1.50%	9,545	9,395	1,59%
VFA	20/06/2014	0.20% - 1.00%	0.00%-1.50%	7,358	7,363	-0,07%
VFB	20/06/2014	0.30% - 0.60%	0.00%-1.00%	10,788	10,799	-0,11%
ENF	13/06/2014	0.00% - 3.00%		9,789	9,609	1,87%

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