RONGVIET SECURITIES

SEPTEMBER

21

WEDNESDAY

6 PM CALL

Market today: Possible to maintain high stocks-to-cash

*(**Thien Bui** – Ext: 1321)*

Taking advantages of yesterday's late reversal, market kept moving higher. VNIndex added 5.11 pts to close at 668.48 pts while HNIndex also slightly gained 0.34 pt to close above 83 pts. Large cap stocks such as VNM, VIC and VCB were main contributions of today gains. Indeed, VN30, which represents large cap stocks, was today best index with total upside of 0.58%. VNSML put on 0.53% while VNMID, due to strong declines of CTD, DHG, PTB and VHC, fell 0.03%. Liquidity soared with total traded volumes 190 million shares, equivalent to VND3,770 billion. Even if we exclude 5.6 million shares of MSN via put-through trading, today liquidity is still the one-month height.

Foreigners net bought VND358 billion worth of shares in HSX. However, the value was biased by VND401 billion put through of MSN. On the other hand, off-shore investors maintained net selling in HNX with total value of more than VND23 billion. SCR was sold very aggressively.

Lots of investors turned to profit takers after making profit from "ETFs contrarian buying" on last Friday. Lots of shares were sold but they were absorbed very strongly. The implication is that investors are still very positive on upcoming prospects of market, of which VNIndex is on its way to approach the old peak 681 pts. Hence, it is still possible to keep a high proportion of stocks in portfolios at this moment.

"Possible to maintain high stocks-to-cash"

The monetary policy statement of BoJ has been made. Hereunder is our short comments on this event.

Latest statement from BoJ supported Japan stock market to rally; however, the declines of JPY is not persistent. By the time we are writing this 6pm, USDJPY returned to 101.53, equal to what it was before the BoJ meeting.

BoJ's statement did not match investors' expectations. The Bank implemented a so-called "yield curve control"; hence, the asset repurchase program will not fix at JPY80 trillion (~USD781 billion) but will be more flexible. BoJ also maintain the 0.1% negative interest rate and might cut deeper into the negative rates to stick with target of 2% inflation. It could be implied that policy makers in Japan are serious about "cost and benefit" of asset repurchase program on the country economy. On one hand, it is said that BoJ is possibly looking for more flexibility in its policies. On the other hand, the program can be viewed as "insignificant" to the economy and is reaching its limit.

After BOJ's meeting, the results of Fed's policy meeting will be announced tomorrow, analysts implicated that BOJ exposed cautions path in the last meeting to "grope" for the ability of raising interest rates by Fed. In September 2016 meeting, Fed maintained the same operating interest rate, market expectation is that BOJ may perform measures to cut interest rates in its next meeting occurred in November. Currently, the probability that Fed will raise interest rates in September is quite low, and numerous people are leaning on the scenario of raising interest rates in December meeting. US Dollar sharply increased after BOJ's declaration and has stabilized currently. We believe that the operating direction of the most two powerful central banks in the world has not able to shift the movement of both currencies in the short term.

Analyst Pin-board

BCI – Restructuring is to affect earnings outlook

*(**Tai Nguyen** – Ext: 1310)*

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RONG VIET NEWS

COMPANY REPORTS	Issued Date	Recommend	Target Price
PPC – Unfavourable 2016	September 19th, 2016	Buy	19,400
PGI - Strong financial status with improving business results	September 09th, 2016	Neutral	20,256
VEAM- Equitisation to boost restructuring progress	September 07th, 2016	N/a	17,500
FPT - Higher valuation thanks to business restructuring	September 05th, 2016	Buy – Long term	58,000
TDH – Small firm, large potential	August 25th, 2016	Buy – Long term	15,800

Please find more information at http://www.vdsc.com.vn/en/companyReport.rv?categoryId=302

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
VF1	09/09/2016	0.2% - 1%	0.5%-1.5%	29,247	29,080	0.57%
VF4	08/09/2016	0.2% - 1%	0%-1.5%	12,962	12,953	0.07%
VFA	26/08/2016	0.2% - 1%	0%-1.5%	6,563	6,604	-0.62%
VFB	26/08/2016	0.3% - 0.6%	0%-1%	13,344	13,282	0.47%
ENF	26/08/2016	0% - 3%	0%	14,251	14,223	0.20%
MBVF	01/09/2016	1%	0%-1%	11,794	11,559	2.03%
MBBF	31/08/2016	0%-0.5%	0%-1%	13,080	13,052	0.21%
VF1	09/09/2016	0.2% - 1%	0.5%-1.5%	29,247	29,080	0.57%
VF4	08/09/2016	0.2% - 1%	0%-1.5%	12,962	12,953	0.07%

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