DECEMBER

19

MONDAY

**6 PM CALL**

## *Market today:* Strong Gains from Financial Services and Insurance Coupled with a Correction in the Consumer Segment

*(**Thien Bui** - Ext: 1321)*

**The market stopped rallying today as some leaders in the consumer segment such as VNM, SAB and MSN corrected.** After taking second place in terms of market cap, SAB lost VND13,000/share. MSN (-VND1,500/share) and VNM (-VND1,100/share) also contributed to the decline of the VN Index today. The HNX Index was also affected by some decliners like ACB, NVB, PLC, although stocks such as VCG, VCS, PVI and PVS were able to push the index to higher ground. Market liquidity reverted to last week's mean (excluding ETFs' trades), and the total trading value was VND2,460 billion in both bourses.

**Financial services and insurance companies outperformed the market.** The performance of insurance stocks was mixed, with more gainers than decliners. Some gainers were BVH, PVI, PTI and PGI, while BMI and BIC declined and VNR stayed at its reference price. All the gainers were those having strong growth and the largest market share. The positive data of the insurance industry could have been a driver for today's increase of insurance stocks. Non-life insurers recorded a VND33,518 billion premium (+14.15% YoY) while life insurance companies saw growth of 28.35% YoY as they realized VND49,119 billion insurance fees in 11 months. The whole industry is expected to increase total fees by 22% compared to FY2015 and to remain stable at 20% in FY2017.

*"Strong Gains from Financial Services and Insurance Coupled with a Correction in the Consumer Segment"*

**Leaders of the financial services group were HCM, SSI and VND, which also strongly gained today**. Stocks of brokerage firms tend to rally in the end of or in the beginning of the year. These stocks are very sensitive to market movements and performance. As we can see that the market just overcame 2 important events (ETF reconstitution and Fed Rate Hike) quite easily in recent times, these stocks obviously reflect these positive signals. Moreover, as the market has been very bright in the year 2016, investors can also expect brokerage firms to realize optimistic earnings, and to consequently positively influence the market. In previous daily news, RongViet Research also did some statistics and found out that the index has the tendency to increase in January.

*The VN Index seemed to stabilize since last Wednesday, and foreign investors should be less active during the holidays. Therefore, liquidity will mostly depend on domestic investors. The foreign participation rate decreased to 10% but liquidity did not see much of a decline; hence, it can be implied that capital inflows from on-shore investors might have been increasing. Besides, market breadth is positive and many large cap stocks have still held its upside momentum. All of these movements are catalysts for the market to be stable (and maybe increase) and also encourage investors to accumulate more stocks.*

## *Analyst Pin-board*

### DGW – Adapting for the Future

*(**Kien Nguyen** – Ext: 1320)*

*If you are interested in this content, please click here to view more detail.*

## Recommendations:

VN-Index went down while HNX-Index gained points. Although VN-Index closed in red, the number of gainers overwhelmed the number of losers. The market is quite bullish and trader should focus on market's differentiation to find investment opportunities.

## PORTFOLIO RECOMMENDED BY TECHNICAL ANALYSIS

| Ticker | Price | Action | Buying date | Buying Price | Target Price 1 | Target Price 2 | Cut loss Price | Selling Date | Selling Price | Gain/ Loss | Duration |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **CII** | 28.90 | **Hold** | 18/11/2016 | 29.45 | 32.0 | | 28.5 | | | -1.87% | Intermediate |
| **PPC** | 17.00 | **Hold** | 18/11/2016 | 15.30 | 17.0 | | 14.5 | | | 11.11% | Intermediate |
| **VGC** | 16.00 | **Hold** | 26/07/2016 | 13.5 | 17.6 | | 12.6 | | | 18.52% | Long |
| **LHC** | 64.50 | **Hold** | 21/08/2015 | 41.5 | 70.0 | 78.0 | 58.0 | | | 55.42% | Long |

**Notes:**

- **Buying Price** is the Close Price at Buying date. **Selling Price** may be the Target Price, Cut loss Price or Closing Price at Selling date depending on specific cases.
- **Target Price 2** will be updated when the stock passes Target Price 1.
- In the ex-rights date, the prices will also be adjusted accordingly
- Duration: **Short-term** is less than 01 month; **Intermediate-term** is from 01 to 03 months; **Long-term** is more than 03 months.

## RONG VIET NEWS

| COMPANY REPORTS | Issued Date | Recommend | Target Price |
|---|---|---|---|
| SKG - Competition Will Begin to Impact Earnings Results | December 16th, 2016 | Neutral – Long term | 72,800 |
| VGC - Catalysts Ahead for VGC to Fully Realize its Potential | December 14th, 2016 | Neutral – Long term | 17,800 |
| SAB - The Giant of Vietnam's Beer Industry | December 06th, 2016 | Neutral – Long term | 143,000 |
| DHG - Hope awaits in 2017 | November 30th, 2016 | Accumulate – Long term | 119,000 |
| GMD - Encouraging result amid short-term cargo low | November 28th, 2016 | Accumulate – Intermediate term | 30,000 |

*Please find more information at [http://www.vdsc.com.vn/en/companyReport.rv?categoryId=302](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 | 16/12/2016 | 0.25% - 0.75% | 0% - 2.5% | 27,799 | 27,922 | -0.44% |
| VF4 | 16/12/2016 | 0.25% - 0.75% | 0% - 2.5% | 12,290 | 12,357 | -0.54% |
| VFA | 16/12/2016 | 0.25% - 0.75% | 0% - 1.5% | 6,756 | 6,787 | -0.46% |
| VFB | 16/12/2016 | 0.25% - 0.75% | 0% - 2.5% | 13,782 | 13,766 | 0.12% |
| ENF | 09/12/2016 | 0% - 3% | 0% | 13,605 | 14,015 | -2.93% |
| MBVF | 01/12/2016 | 1% | 0%-1% | 12,216 | 12,298 | -0.67% |
| MBBF | 07/12/2016 | 0%-0.5% | 0%-1% | 13,394 | 13,356 | 0.28% |

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