Market today: Airline Stocks Plummeted

*(**Hieu Nguyen** – Ext: 1514)*

Investors that paid a high price for HVN and VJC at the beginning of this month now have a reason to worry, as prices have not continued to increase as expected. Instead, HVN has continuously been on a downtrend, while VJC has also gradually declined after surging during its initial trading days. Even at the current price, these stocks are still trading at a P/E premium compared to their peers in the region. They have also been strongly sold by foreign investors within this week.

Although the aviation industry is in a recovery phase, not all the airlines are in good shape. This morning, the Hong-Kong based Cathay Pacific Airline announced a loss of USD74 million in 2016. The main reasons for the loss are: (1) low passenger yield due to higher competition from Chinese main land carriers, as Hong Kong is gradually losing its strategic hub-spoke advantage, and (2) highest operating cost structures among all the airlines.

"Airline Stocks Plummeted"

The market movement in the last two days seemed to show no concern for tomorrow's Fed meeting. The market is ready for another rate hike after the strong announcements from Fed members, as well as the improvement in unemployment, core inflation and US wage data. As the Fed's decision is foreseen, the only concern is the possible distortion caused by the transactions of ETFs. However, we see this more as an opportunity to buy if the stocks on the ETFs' selling lists fall deeply. Therefore, a balanced portfolio, say 50% cash and 50% stocks, is recommended at the moment to ensure flexibility for investors.

Analyst Pin-board

VTO – Cheap Valuation and High Dividend Yield

*(**Hoang Nguyen–** Ext: 1319)*

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Recommendations:

VN-Index went down while HNX-Index increased slightly. Trading volumes remained low. The number of losers overwhelmed the number of gainers. Traders should continue raise the proportion of cash and wait for a few sessions.

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/ Loose	Duration
HDG	29.50	**Hold**	07/03/2017	27.90	30.00		26.50			5.73%	Intermediate
DIG	8.78	**Hold**	27/02/2017	8.53	10.00		7.80			2.93%	Intermediate
FPT	45.55	**Hold**	15/02/2017	46.00	50.00		44.00			-0.98%	Intermediate
AAA	24.20	**Hold**	14/02/2017	25.20	28.00		23.00			0.00%	Intermediate
ITD	25.60	**Hold**	06/02/2017	25.70	28.00		23.50			-0.39%	Intermediate
BVH	59.00	**Hold**	05/01/2017	61.10	66.00		58.00			-3.44%	Short-term

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
VJC - A Fairy Tale of the Vietnam Aviation Industry	March 7th, 2017	Neutral – Long term	123,600
MWG - Waiting for The Ability to Maintain Significant Growth	February 3rd, 2017	Sell - Intermediate	134,500
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

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	06/03/2017	0.25% - 0.75%	0% - 2.5%	29,586	29,521	0.22%
VF4	06/03/2017	0.25% - 0.75%	0% - 2.5%	13,227	13,183	0.33%
VFA	03/03/2017	0.25% - 0.75%	0% - 1.5%	6,831	6,863	-0.47%
VFB	03/03/2017	0.25% - 0.75%	0% - 2.5%	14,087	14,055	0.23%
ENF	03/03/2017	0% - 3%	0%	14,847	14,936	-0.60%
MBVF	02/03/2017	1%	0%-1%	12,614	12,607	0.06%
MBBF	01/03/2017	0%-0.5%	0%-1%	13,566	13,552	0.10%

ANALYSTS

Truc Doan – Head of Research

+ 84 8 6299 2006 | Ext: 1308

truc.dtt@vdsc.com.vn

Ha My Tran – Deputy Manager

+ 84 8 6299 2006 | Ext: 1309

my.tth@vdsc.com.vn

Lam Nguyen

+ 84 8 6299 2006 | Ext: 1313

lam.ntp@vdsc.com.vn

Thien Bui

+ 84 8 6299 2006 | Ext: 1321

Thien.bv@vdsc.com.vn

Diem My Tran

+ 84 8 6299 2006 | Ext: 1311

my.ttd@vdsc.com.vn

Hieu Nguyen

+ 84 8 6299 2006 | Ext: 1514

Hieu.nd@vdsc.com.vn

Huong Pham

+ 84 8 6299 2006 | Ext: 1314

huong.pt@vdsc.com.vn

Kien Nguyen

+ 84 8 6299 2006 | Ext: 1320

Kien.nt@vdsc.com.vn

Quang Vo

+ 84 8 6299 2006 | Ext: 1517

Quang.vv@vdsc.com.vn

Trinh Nguyen

+ 84 8 6299 2006 | Ext: 1331

Trinh.nh@vdsc.com.vn

Hoang Nguyen

+ 84 8 6299 2006 | Ext: 1319

Hoang.nh@vdsc.com.vn

Dung Nguyen

+ 84 8 6299 2006 | Ext: 1518

dung.nv@vdsc.com.vn

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HEAD OFFICE

141 Nguyen Du St., Dist. 1, HCMC

- T +84 8 6299 2006
- F +84 8 6299 7986
- E info@vdsc.com.vn
- W www.vdsc.com.vn

HA NOI BRANCH

2C Thai Phien St., Hai Ba Trung Dist.,
Ha Noi City

- T +84 4 6288 2006
- F +84 4 6288 2008
- E info@vdsc.com.vn
- W www.vdsc.com.vn

NHA TRANG BRANCH

50 Bis Yersin, Nha Trang City

- T +84 058 3820 006
- F +84 058 3820 008
- E info@vdsc.com.vn
- W www.vdsc.com.vn

CAN THO BRANCH

95-97-99 Vo Van Tan St., Ninh Kieu Dist.,
Can Tho City

- T +84 0710 381 7578
- F +84 0710 381 8387
- E info@vdsc.com.vn
- W www.vdsc.com.vn