DECEMBER

ADVISORY DIARY

04

FRIDAY

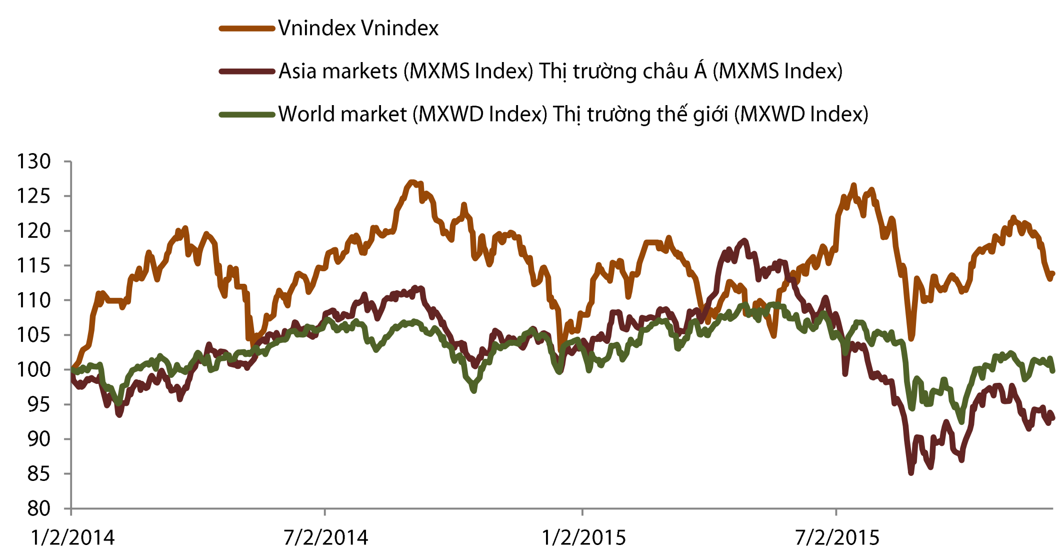
- **Time for stock picking**
- **Macroeconomics update: ECB announced the extension of asset purchase and record-low rate.**

Time for stock picking

Vietnam market also hit as other markets after ECB stimulus misses expectations. Today, due to not satisfy with economic stimulus by the ECB, many markets declined, for example: Japan (Nikkei: -2.18%), the US (Dow Jones: - 1.42%), Europe: Thomson Reuters Europe (excluding UK & Ireland): - 0.37%, Thailand (SET Index: -0.53%), ... In Vietnam, the two main market indices also decreased in early of today sessions. So, VNIndex hit 0.48% but HNIndex closed slightly higher yesterday closed price. However, HNX just rallied at late of today sessions and experienced more than 90% of the time trading below yesterday closed price. Those showed that the Vietnam stock market has remained correlation with other global markets (already mentioned in AD dated 11.30.2015). Currently, the domestic market is short of supportive factors and many key economics event will be happened in mid this month (typically the FOMC meeting) so Vietnam's stock market in December would be hardly break out the trend of other markets.

"Time for stock picking"

Figure : Correlation between Vietnam market and other markets



Source: Bloomberg, Rongviet Research

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With many uncertainties ahead (such as: ETF review and FOMC meeting), investor likely hedged those risks by staying out of market. Therefore, the liquidity gradually declined in recent sessions, with order-matching volume around 80-90 million shares per day, instead of 120-140 million shares in previous weeks. In recent ADs, we have mentioned that market experienced strange phenomena that volume surged in downtrend sessions. However, since mid of this week, the market has returned to the familiar movement, that liquidity dried up after consecutive decline sessions. Rongviet Research market analyst said it was not negative phenomena since it showed that market participants became more consistent with their traditional rule. Specifically, as our observations in historical trading at bottom-up periods, market usually experiences two consecutive stages: (1) Liquidity dried up as investors depressed and (2) extremely bearish sessions with surging volume. If that rule happened again, the market would be in the stage (1) and expect to the second stage appeared in mid of this month.

Net foreign selling still maintains. Today foreign investors remained their net sell status on HSX with net value of approximately VND50 billion. In contrast, net buying was accelerating with inconsiderable value on HNX. In general, foreign investors have still registered as a net seller on both bourses. As mentioned in yesterday's advisory diary, we reserve the conclusion that this activity is conventional and shows no concerns. We believe that it is more likely to derive from index funds rather than active funds (stock picks). The consumption based on the discussion with our foreign investors who still in the middle of keeping contact with enterprises and seeking for investment opportunity. As a result, the foreigners are still in search for investment chances in the upcoming period.

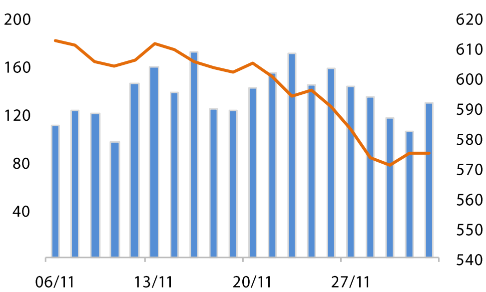
For short-term investment style, we think seasonal stocks (listed in AD dated 26/11/2015) would be a reasonable choice. In addition, long-term investors could consider investment opportunities in our ***December Strategy report*** *published today. However, currently, instead of accumulating impatiently, investors could focus on picking stocks carefully and buying at cheaper prices in deep decline sessions.*

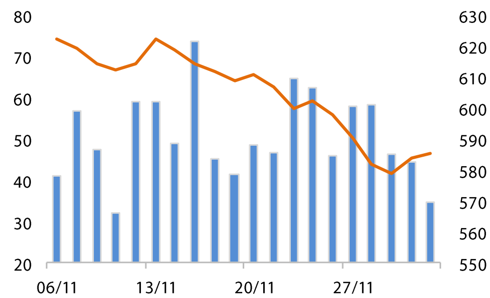
Macroeconomics update:

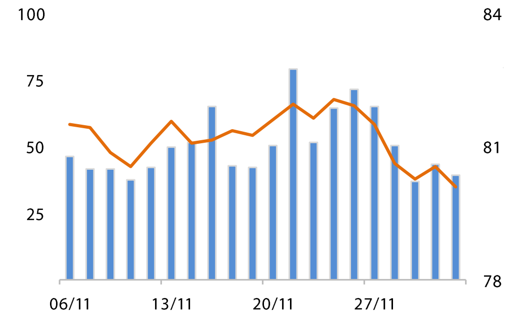
ECB announced the extension of asset purchase and record-low rate

Europe Central Bank (ECB) has announced to lower deposit rate by 10 point to -0.3%, with effect from December 9, 2015, for another, interest rates for re-financing and lending have remained constant, at 0.05% and 0.3% respectively. Besides, the Central Bank has also informed to stretch buying assets program in additional 6 months, until March 2017. However, those policies didn't meet the financial sector's expectation, and EUR/USD also increased by 3.16% compare to previous day.

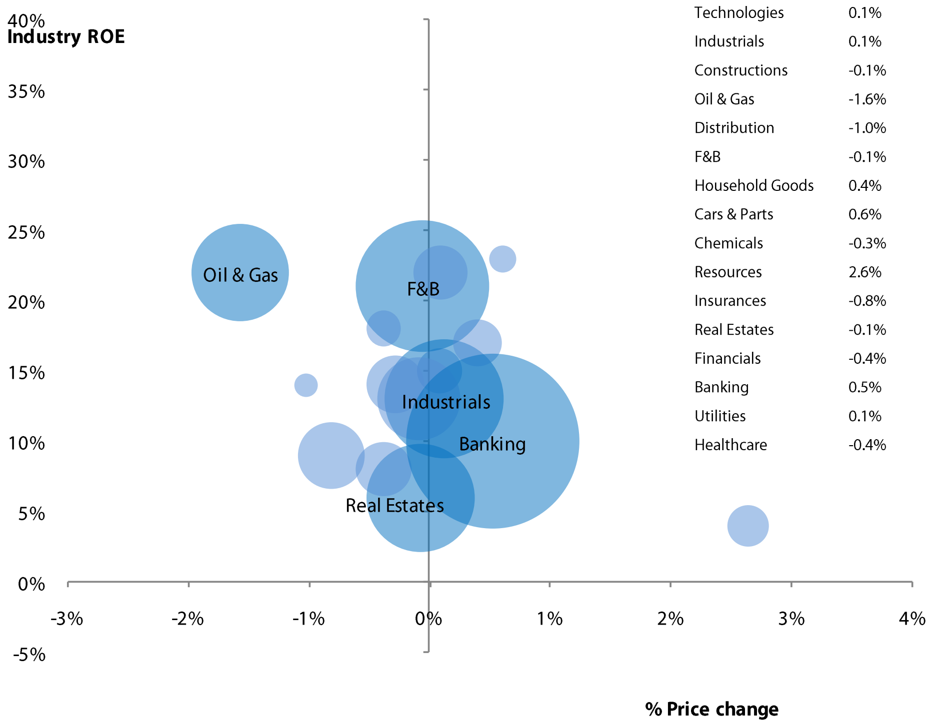
VNINDEX	-0.01%	574.38	VN30	0.22%	585.23	HNXINDEX	-0.57%	80.08





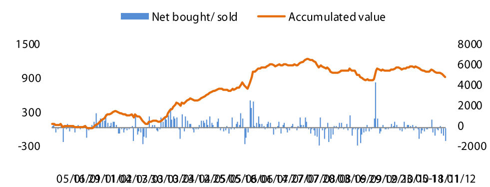


Industry Movement

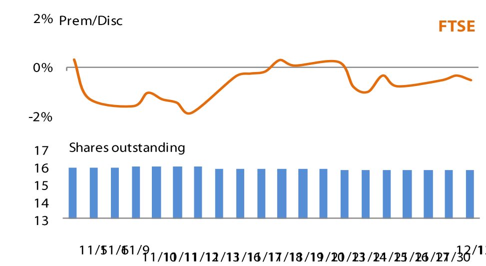


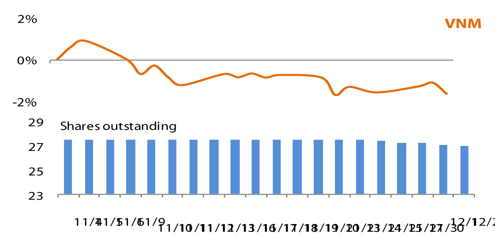
Industry	% change
Technologies	0.1%
Industrials	0.1%
Constructions	-0.1%
Oil & Gas	-1.6%
Distribution	-1.0%
F&B	-0.1%
Household Goods	0.4%
Cars & Parts	0.6%
Chemicals	-0.3%
Resources	2.6%
Insurances	-0.8%
Real Estates	-0.1%
Financials	-0.4%
Banking	0.5%
Utilities	0.1%
Healthcare	-0.4%

Foreign Investors Trading

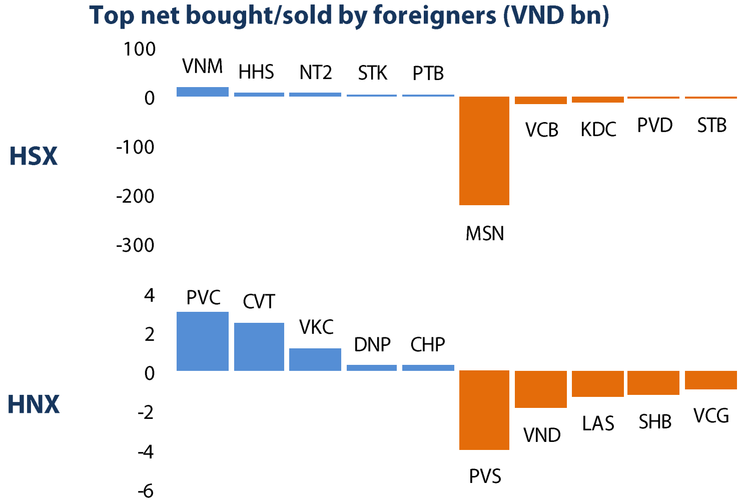


ETF





Top net bought/sold by foreigners (VND bn)



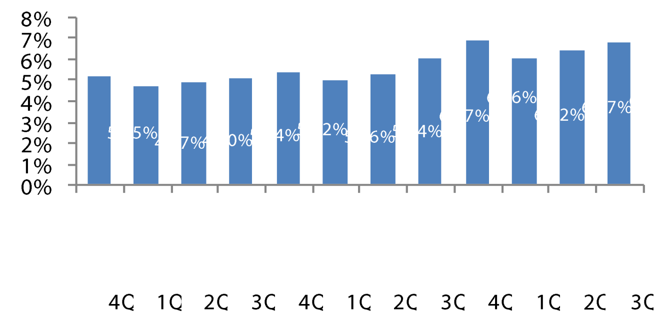
Top Active

Ticker	Price	Volume	% price change
FLC	8.2	5.32	-2.4%
OGC	3.7	3.82	-5.1%
SBT	18.6	3.23	0.0%
SSI	23.1	3.15	0.9%
HAG	12.3	2.66	-2.4%

Ticker	Price	Volume	% price change
TIG	11.5	3.92	0.9%
KSQ	5.0	2.15	8.7%
SCR	8.3	1.82	-1.2%
KLF	4.6	1.49	-4.2%
VIX	7.6	1.40	1.3%

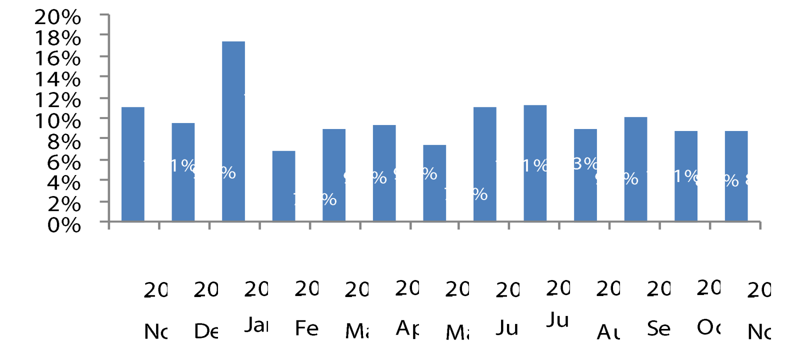
MACRO WATCH

Graph 1: GDP Growth



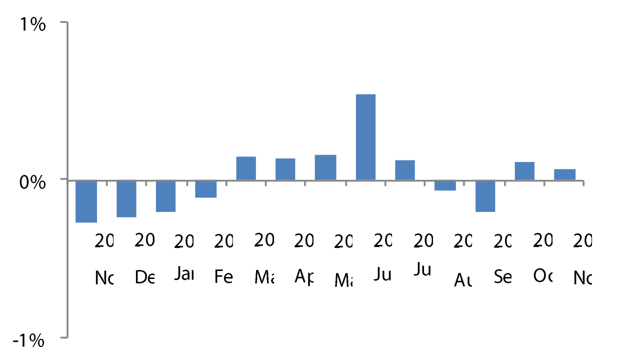
Sources: GSO. Rongviet Securities database
(*) Comparision price in 1994

Graph 2: IIP



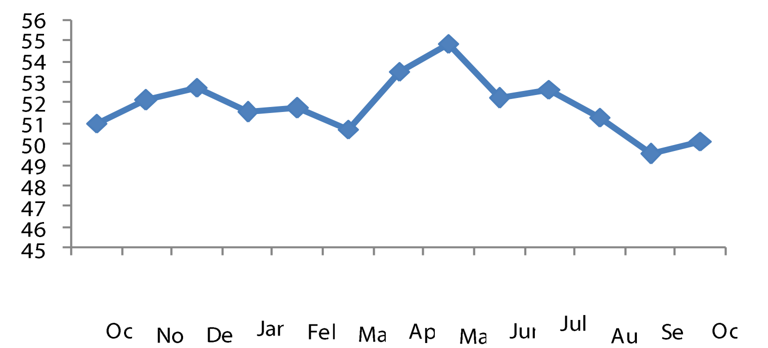
Sources: GSO. Rongviet Securities database

Graph 3: Monthly CPI



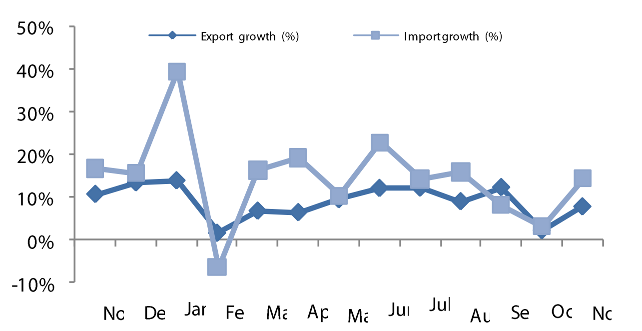
Sources: GSO. Rongviet Securities database

Graph 4: HSBC - PMI



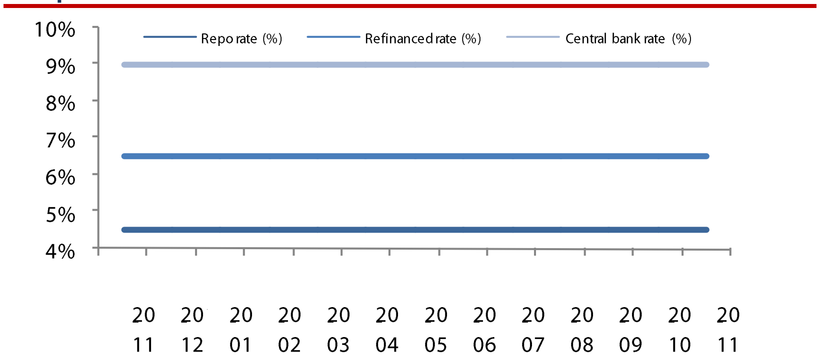
Sources: GSO. Rongviet Securities database

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
LHG - In the right time, in the right place	November 17th, 2015	Buy – Long term	25,700
DRC - Expecting on replacement segment	November 13th, 2015	Accumulate – Long term	52,000
NKG- Capital ravels to be untangled	November 6th, 2015	Neutral – Intermediate term	17,400
DMC - Restructuring sparks positive changes	October 30th, 2015	Accumulate – Intermediate term	49,000
HSG - New investments: The engine of growth	October 29th, 2015	Accumulate – Long term	52,500

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
VFF	17/11/2015	0% - 0.75%	0% - 2.5%	12,109	12,099	0.08%
VEOF	17/11/2015	0% - 0.75%	0% - 2.5%	10,276	10,663	0.59%
VF1	25/11/2015	0.2% - 1%	0.5%-1.5%	23,903	23,764	0.59%
VF4	25/11/2015	0.2% - 1%	0%-1.5%	10,847	10,768	0.74%
VFA	19/11/2015	0.2% - 1%	0%-1.5%	7,429	7,418	0.15%
VFB	19/11/2015	0.3% - 0.6%	0%-1%	12,523	12,506	0.14%
ENF	20/11/2015	0% - 3%	0%	12,225	12,156	0.57%
MBVF	19/11/2015	1%	0%-1%	10,740	10,902	-01.49%
MBBF	18/11/2015	0%-0.5%	0%-1%	12,494	12,485	0.07%

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