Market today: Sudden came in late but could not conceal an inactive week

(Thien Bui - Ext: 1321)

Sudden came in late but could not conceal an inactive week

Sudden came in late. Most of time, due to high selling pressure on large-cap stocks, there was a negative impact on VNindex. However, when VNindex reaching the 565 level, strong demand from large-caps, including VCB, VIC and VNM led to a strong reverse. Meanwhile, after net selling yesterday, foreigners turned to net buyers to the tune of VND150 billion worth of shares (HSX: VND141 billion and HNX: VND9 billion).

Thus, VNIndex did not have any positive signals and only swung around 570+/-. Market liquidity remained ample at an average of VND2,000 billion per day. However, most of shares could not go higher as buyers were overwhelmed by sellers. This is a negative indicator especially when index approaching 580-resistance.

"Sudden came in late but could not conceal an inactive week"

Despite of downtrend in listed exchanges, Upcom Index experienced a stimulated increasing week. In average, there was a half of increased stocks reaching the ceiling this week. Notably, we saw some tickers have been rallying in the most recent session such as XPH, GGG, TOP… The movement was quite identical to the movement in the end of Oct and Dec 2015; VNIndex struggled at 580-resistance while Upcom Index had 5 consecutive rallied sessions. After that surprising uptrend, most of stocks in Upcom significantly shrunk.

There are negative signals regarding to the market. Most of bluechips have been perfunctorily traded. Meanwhile, investment cash flows have become more cautious and moved to mid and small cap tickers, especially those on Upcom. Along with that, Vietnam stock market's sentiment is also under pressure of some negative information such as halt in stock market movements as well as oil price waiting for the meeting among OPEC and large oil exporters in mid-April. It is not a clear evidence to say that the market is entering a downtrend. ***Therefore, investors should hold a balance portfolio with 50% of cash and 50% of stocks. It is just suitable for investors to add more stocks which are currently in their portfolios rather than open new long positions, especially VN30 stocks.***

Relating to macro news to watch, GSO has just announced the first quarter of 2016 data for Vietnam economy, accordingly, GDP growth was only 5.46%, the lowest growth rate since Q3/2014. This result is under our expectations due to serious impacts from climate change on agricultural production activities, recording a 1.23% decline in the first quarter. Meanwhile, industrial production and services growth were respectively 6.72% and 6.13%, in line with the previous predicts about growth prospect of these sectors in 2016. The detailed comments of the Vietnam economy in the first quarter will be updated in the early of next trading week in Analyst Pinboard.

Analyst Pin-board

VNR updates – 2016 plan in line with reinsurance market

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

Recommendations:

VN-Index recovered at the end of the session but HNX-Index could not. The selling forces are quite strong and therefore the correction may last longer. Trader should still maintain the stock/ cash ratio below 50% and wait for more signals.

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
ITD	20.5	Hold	26/02/2016	18.7	22.0		17			9.63%	Intermediate
TCM	28.6	Hold	26/02/2016	30.1	34.0		28			-4.98%	Intermediate
BVH	52.5	Hold	22/02/2016	51.5	60.0		47			1.94%	Intermediate
BCC	15.1	Hold	22/01/2016	13.7	15.0		12.5			10.22%	Intermediate
DNP	30.0	Hold	11/01/2016	20.0	24.0		18			50.00%	Intermediate
VNE	11.2	Sell	08/01/2016	12.0	13.5		11	21/03/2016	11.6	-3.33%	Intermediate
LHC	50.8	Hold	21/08/2015	41.5	50.0		38			22.41%	Long

Notes:

- **Buying Price** is the Close Price at Buying date. **Selling Price** may be the Target Price, Cutloss 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
PTI – Impressive growth	March 08th, 2016	Accumulate – Long-term	28,500
SVC - Profit driver switches from automobile to services segment	February 22nd, 2016	Accumulate – Long-term	41,800
HPG- An attractive price for the leading firm	January 15th, 2016	Buy – Long term	39,700
HAH - Effective performance is being undervalued	January 08th, 2016	Buy – Intermediate term	56,000
ELC- A new growth cycle	December 3rd, 2015	Buy – Long term	33,000

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	1/3/2016	0.2% - 1%	0.5%-1.5%	23,589	23,480	0.46%
VF4	1/3/2016	0.2% - 1%	0%-1.5%	10,692	10,624	0.64%
VFA	25/02/2016	0.2% - 1%	0%-1.5%	6,758	6,662	1.44%
VFB	25/02/2016	0.3% - 0.6%	0%-1%	12,795	12,755	0.31%
ENF	25/02/2016	0% - 3%	0%	11,966	11,924	0.35%
MBVF	25/02/2016	1%	0%-1%	10,782	10,730	0.48%
MBBF	17/02/2016	0%-0.5%	0%-1%	12,504	12,489	0.12%
VF1	1/3/2016	0.2% - 1%	0.5%-1.5%	23,589	23,480	0.46%
VF4	1/3/2016	0.2% - 1%	0%-1.5%	10,692	10,624	0.64%

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