A chance to accumulate for 2017 as the market corrects

Stocks on both the HSX and HNX suffered in October as enthusiasm faded and the market went through a correction phase. The gains of BHN, FLC, and ROS were exceptional since most stocks either went sideways or lost a little bit during the month. In fact, without the support from ROS, the VNIndex would not have possibly closed only 1.4% lower in October. Liquidity dwindled at the same rate that confidence deteriorated; the combined daily volume on the two exchanges dropped 5.2% on average as compared to that recorded in September to just 150 million shares a day. Acting as opportunistic buyers, foreigners were more active during down days and accumulated a net VND122 billion, mostly in HPG and VNM. There was little improvement in the sentiment in the first few days of November as the trading remained slow and cash flows were hardly seen among large-caps.

Reported at 51.2, China's Manufacturing PMI in October saw the fastest improvement in the past 4 years according to Markit. The country's producer price index (PPI) also picked up by 0.1% MoM in September following a declining streak starting in March 2012. Our macro team perceived the PPI improvement as a sign of recovery in China's manufacturing sectors. On top of the growing needs for materials from the US, China's improving demand has had a positive effect on the prices of basic resources such as natural rubber, iron ore, cotton, etc. Since the beginning of the year, natural rubber prices have gained 27%, crude oil (Brent) 44% and PVC resin 27%. This implies a difficult year for Vietnamese manufacturing companies relying on imported materials. The ability to pass on the increase in input prices and maintain the gross profit margin will depend on each company's market power as well as the demand in their respective sector.

While firms like HPG, HSG, CTD and VNM continuing to report two-digit growth in sales and net profit, the stock market's nine-month earnings landscape looked gloomy with huge losses from TTF, HAG, HNG, PPC, AGR, etc. Our statistics, covering 590 listed companies that have posted Q3 financial statements showed an increase of 6.2% YoY in net revenue but a drop of 12.3% YoY in NPAT in the nine months to September. Without TTF and KDC, the increase in revenue would have extended to 7.2% YoY but NPAT growth would have still remained on the low at a -2.6% YoY. When we move on to exclude Oil&Gas stocks, the figures indicated a growth rate of 10.2% YoY in NPAT. With this, it seems unlikely that the YTD gain of 16.2% of VNIndex, which was led by a small number of large-caps, was based on the mass improvement in companies' profits.

Considering the absence of earnings growth, a breakthrough on the macro side, and the foreign investors' wariness ahead of the US election in November, we believe that indices will continue going sideways at least until the third week of November. Though many investors' year-to-date gains were slashed in the last correction, few people are suffering from losses. In a defensive stance, many are just holding cash in search of good opportunities to cash in. On the other hand, we expect to see waves of IPOs and new listings on the UPCOM alongside SCIC's sale of stakes in VNM and other companies in the last two months of the year. The process should draw cash flows out of the listed market as investors brace for the new, possibly high-quality supply.

The VNIndex is expected to move between 656 – 685 and the HNIndex between 79 – 81 in November.

Analysis and Investment Advisory

Truc Doan – Head of Research

truc.dtt@vdsc.com.vn

Tai Nguyen

tai.nbp@vdsc.com.vn

Ha My Tran

my.tth@vdsc.com.vn

Viet Dung Nguyen

my.tth@vdsc.com.vn

Lam Nguyen

lam.ntp@vdsc.com.vn

Thien Bui

thien.bv@vdsc.com.vn

Hieu Nguyen

hieu.nd@vdsc.com.vn

Huong Pham

huong.pt@vdsc.com.vn

Please see penultimate page for additional important disclosure

CONTENTS

Gradual decreases in stock prices and low liquidity will not support trades aiming at short-term returns. On the other hand, it will be hard to capitalize in Q4 earnings expectations now that nearly all of the stocks with a positive outlook for earnings have been identified by the market and earnings surprises are unlikely outside sectors with seasonality. We believe, however, that this is a good time for investors to start screening stocks for 2017. For the intermediate and long term, we are still confident about industries with a strong link to growth and investment, i.e. Infrastructure, Materials, Industrial Real estate, Technology, Industrial Goods & Services.

Recent increases in basic material prices are placing manufacturers under pressures of more expensive inputs. Nonetheless, large steel companies like HPG, HSG and possibly NKG can still benefit from growing market demand as well as their dominant market shares. We believe that these companies' market power will allow them to pass on the increase in input prices, though only partly, to their customers and that the expansion in sales volume, will help offset the effect margin contraction.

Slow sales of high-end real properties along with the call for lending restriction against real estate developers should also affect the outlook of contractors. However, the current backlog should allow top players such as CTD, HBC and SRF to continue expanding their bottom line as long as they can maintain their gross profit margins. Expecting to make over VND 2,000 billion out of its upcoming private placement, CTD has devised plans to diversify into the infrastructure and office leasing segment to reduce its reliance on the cyclical construction business. Outside the low risk BOT segment, HUT has been actively investing in infrastructure projects under new frameworks such as BT, BOO and PPP, which are not only more profitable but also encouraged by the government.

The decline in NPAT of seaport operators as a result of a shortfall in reefer revenue was in line with our forecasts. However, we still expect the cargo volume in Northern Vietnam to grow at a faster pace in the intermediate and long term when large FDI projects come into operation. Even with increasing competition, seaport companies with feasible expansion plans and locational advantage still have plenty opportunities for growth. Given their strong cash flows, these companies are among the most consistent dividend payers in the market. Following extended declines, seaport stocks can be found trading at a bargain.

- Retail: SVC, PTB, MWG, PNJ
- Construction: CTD, CTI, HBC, HUT, SRF
- Building materials: NKG, HPG, HSG, PLC, NNC
- Electricity: NT2, PPC, REE, HND
- Real estate: KDH, TDH, VGC
- Transport: PVT, HAH, VSC
- O&G: PGS, PVS
- Banks: VCB, ACB
- Food & Beverages: VNM, BHN, NCS
- Other: FPT, DRC, DPM, VFG, SKG, VNS, BFC, DHC

35 stocks of RongViet Research (analyzing, discussing with companies) and have analysis and specific evaluation in "Company report" or "Analyst pin board" till now

Industries movement in October 2016 and P/E, P/B of industries at the end of the month

WORLD ECONOMY: HOPE FOR THE BEST

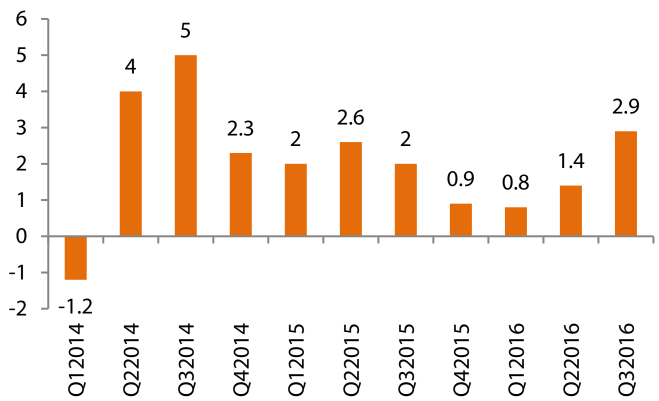
- USA: A Trump Victory Could Harm the Economy
- China: Cyclical Recovery Continues
- Japan: Everything Is Flat

USA: A Trump Victory Could Harm the Economy

Preliminary data shows that the U.S. economy expanded at the fastest pace in the third quarter, with an improvement of 2.9% increase in growth on a year-on-year basis. This result was the best since Q3 2014 and overshot the 2.4% increase expected by the markets. Domestic demand was stronger thanks to the rebound of government consumption (+0.5% in Q3 vs -1.7% in Q2) while the external sector improved thanks to an impressive growth of exports (+10% in Q3 vs +1.8% in Q2). The US economy is fairly healthy, increasing the probability that the Fed will hike rates in the final meeting this year (13-14 December).

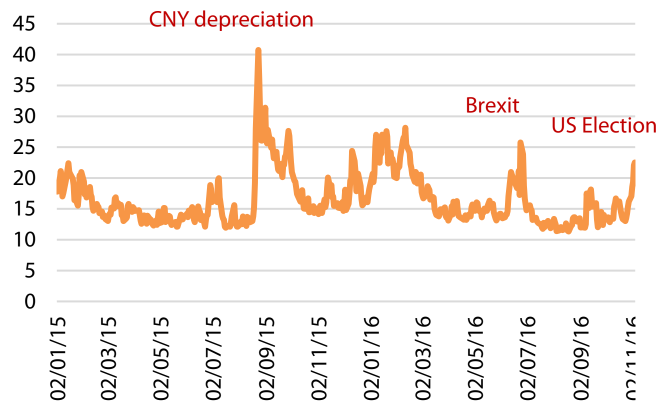
Even though this situation is quite good for the US economy, there is a big risk that the election outcome in the upcoming days could change everything. Many people believe that the Trump presidency would be bad for not only the US economy, but also the global economy. With the election day is almost here, many polls suggest that Hillary Clinton leads over Donald Trump, but the presidential election results are still uncertain. *"Hope for the best and prepare for the worst"* is a good motto for this scenario002E

Figure 1: US GDP Growth



Source: Tradingeconomics

Figure 2: Pre-Election Fear through CBOE Volatility index



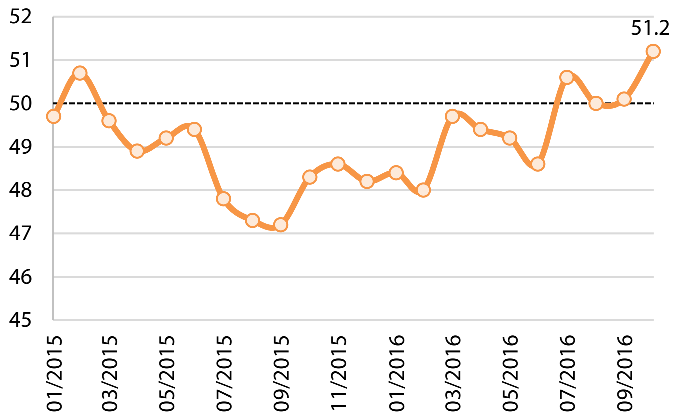
Source: Bloomberg

China: Cyclical Recovery Continues

Despite market expectations that the fading of policy support could hurt growth, the Chinese economy showed its strength again in Q3 2016 and expanded at a steady rate of 6.7% for the third consecutive quarter. Data from October also suggests that the cyclical recovery still continues. The October PMI surged to a two-year high, jumping from 50.4 in September to 51.2 in October. Meanwhile, retail sales were robust in September, hitting a nine-month high of 10.7% on annual year basis.

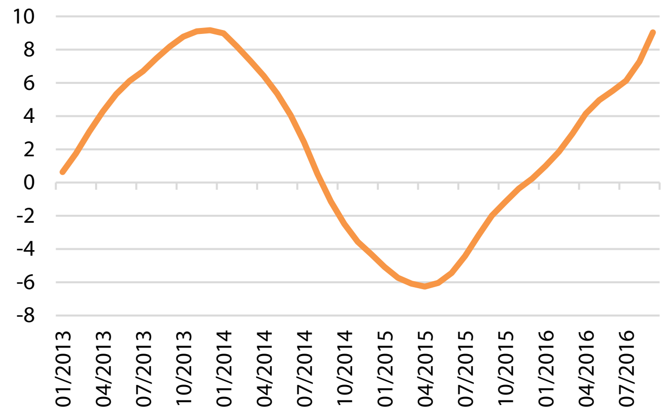
On the downside, house prices recorded the fastest expansion, increased 9.04% YoY in September despite the government's attempt to cool the overheated real estate markets. At the moment, market analysts believe that although a disordered correction in the real estate market and ballooning private debt cast a cloud on China's economic outlook, the authorities are willing to avert any sharp economic downturn and keep the economy in the stabilization period.

Figure 3: China PMI



Source: Bloomberg

Figure 4: China housing price (YoY change)



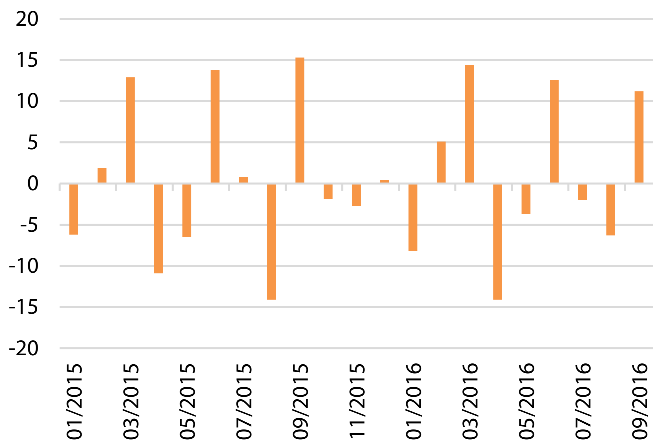
Source: Bloomberg

Japan: Everything Is Flat

According to the latest data, industrial production was unchanged while retail sales was flat over the previous month in September. In further detail, industrial output and retail sales growth was +0.9% and -1.9% from a year ago, respectively, showing fragile growth in manufacturing and weak private consumption. In Q3 2016, the USD/JPY stayed in the range of 100-105, quite resilient because the BOJ's monetary policy remains intact. A strong yen hurts Japanese exporters, dampening trade as well as Japan's economy.

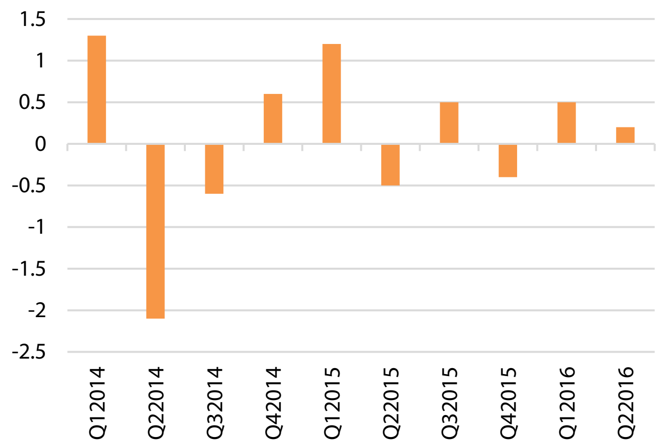
The economy is expected to have a growth at an annualized rate of 0.9% in the third quarter, following 0.7% growth in the second quarter, but the pace of expansion is still sluggish. At a meeting on November the 1st, the BOJ held the monetary policy steady while extending the timing for hitting 2% inflation by as much as a year to around 2018. The repeated delay of inflation target showed that the central bank would be in no rush to ease its monetary policy and ready to suffer a long-drawn-out battle to economic stagnation.

Figure 5: Japan industrial production



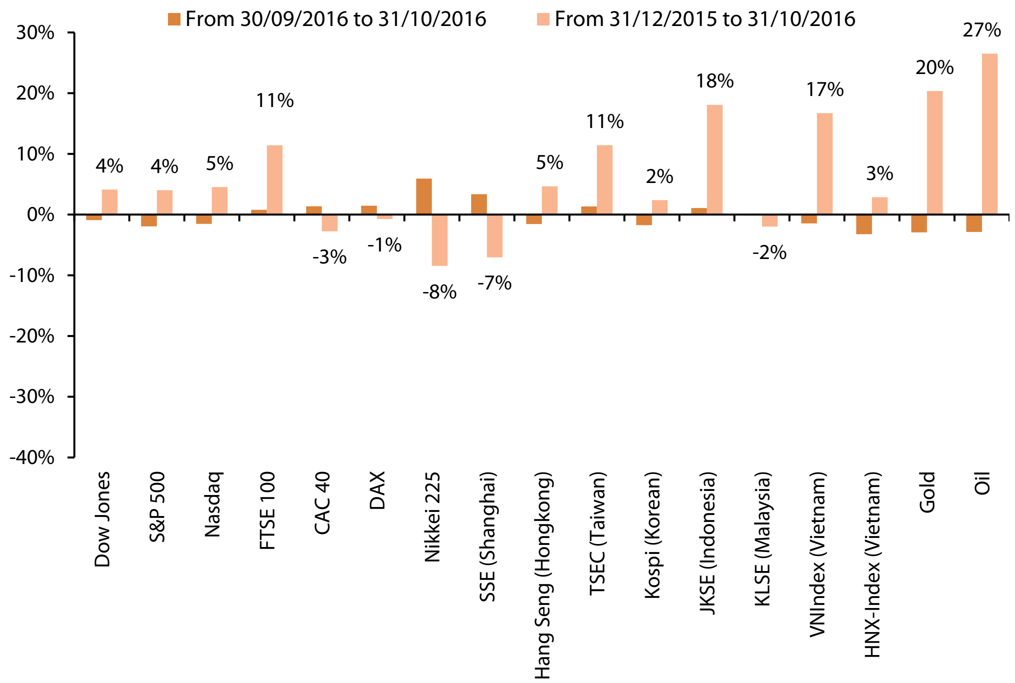
Source: Bloomberg

Figure 6: Japan GDP growth



Source: Bloomberg

Figure 7: Some major global stock market indices in October



Source: Bloomberg, RongViet Research

In addition to the continuing global economic slowdown, the following events attracted much greater attention from many investors: political information such as the US presidential election, the development after Brexit voting, the disagreement between OPEC member countries and non-OPEC countries which impacted oil prices, the EU's stable economy, and the rebalancing of China's economy.

It seems that the uncertainty of the election results and the decline in oil prices have caused numerous stock indexes to close at lower points compared with the end of September. The Fed will not raise interest rates in November which was expected in advance, hence this factor cannot help to improve the US stock index. The Dow Jones, S&P 500 and Nasdaq dropped 0.91%, 1.94%, and 1.53% respectively after increasing during the previous two months.

On the other hand, European stock markets rose considerably. In the beginning of October, British Prime Minister Therasa May declared to activate the Article 50 of the Treaty of Lisbon at the end of March 2017, which means that Britain will leave the EU two years later. The sterling fell to its lowest level in October after the speech and there was a "flash crash "on October the 7th. FTSE 100 reacted to the decline of the Sterling by increasing considerably. The rise in the FTSE was also supported by the data about UK economic growth in Q3, which was 0.5%, proving that this country's economy still remains stable after the referendum in June. In addition to this, the stock index of Germany, which is the largest economy in the region and one of the 4 largest economies in the world, also went up when its PMI index increased by 2.3 points to 55.1 points.

Moreover, the European stock indexes also positively reflect the expectation of the Comprehensive Economic and Trade Agreement between EU and Canada (CETA) and the Strategic Partnership Agreement (SPA). CETA, as well as SPA, is expected to boost trade and strengthen cooperation between the two parties on foreign policies, particularly in areas such as maintenance of peace, international security, sustainable development, combating against climate change, judicial cooperation and law enforcement. A small volatility took place at the end of October when the FBI reopened the investigation of Mrs. Clinton. However, this was just enough to narrow but reverse the uptrend of the FTSE 100, CAC 40 and DAX.

In Asia, the evolution of the US election along with the story about the Chinese economy is estimated to improve affected stock markets. The stable growth of 6.7% in Q3 along with the retail sales index increase of 10.7% and the industrial production index increase of 6.1% reflected that the Chinese government's orientation to balance economic growth is based on 2 factors - consumption and investment. Two of the most significantly increasing indexes last month were the Nikkei 225 (+5.93%) and the SSE Composite (+3.36%). Meanwhile, if considering the increase since the beginning of 2016 till the end of October, the Jakarta Composite Index of Indonesia and VNIndex of Vietnam topped the list with the rise of 18.06% and 16.71% respectively.

As we mentioned before, the US election only began to display thorny developments at the end of October, hence the gold price fell the most during this month. At the end of October, the gold price decreased by 2.92% compared with September, but still maintained a strong growth of 20.34% since the beginning of this year. Oil prices also experienced a less positive month as the agreement to freeze production likely fell in addition to oil inventories in the US rising sharply.

VIETNAM ECONOMY: PRELIMINARY THOUGHTS FOR 2017 OUTLOOK

- A New Bull Market Emerges in Commodity Prices –Macro and Micro Perspectives
- The US Election and Vietnam Trade Prospects

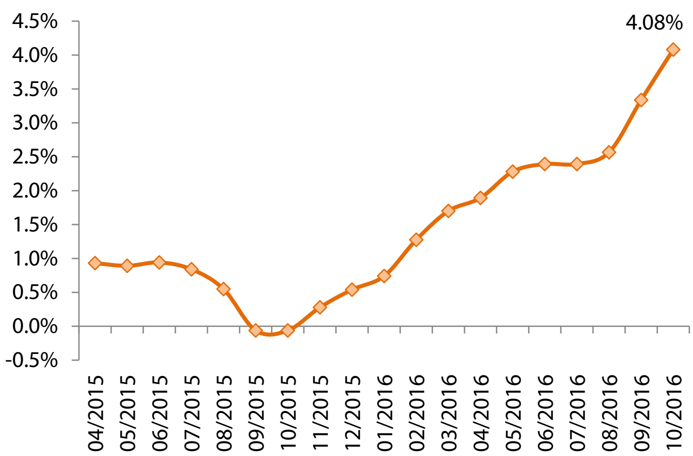
A New Bull Market Emerges in Commodity Prices –Macro and Micro Perspectives

In 2016, the headline inflation rate picked up mainly due to the adjustments of public service prices. By the end of October, the headline inflation rate was about 4% YoY, compared to 1.8% over the same period last year. The contribution of healthcare service prices to headline inflation was very significant (more than 50%). In order to control inflation and to keep it below the 5% target, policy makers decided to cancel the next adjustments to public service prices for the rest of this year. Looking forward to 2017, it is worth noting that the recent commodity price recovery was underestimated by many observers and that there is a massive price appreciation that occurred in the prices of major raw materials right now. Investors are asking whether the company's profitability will be affected negatively by the recent rally in the prices of commodities or if it is finally the right time for Vietnamese consumers to absorb the recovery in commodity prices. Fear of increased inflation has come back to the economy.

A look at the prices of many raw materials at the end of October illustrates many examples for the price appreciation (see Appendix – Page 20). Crude oil moved from $35 to over $48 per barrel in 2016 (+30% YTD). For the *steel sector*, iron ore price gained 44% YTD to $63/t and scrap steel and HRC price also exploded from $156/t and $288/t to almost $242/t and $425/t (+55% YTD and +48% YTD), respectively. There has also been a rally in the coal market, with hard coking coal price rising to almost $270/t (+133% YTD). For some *industrial sectors,* lead and cotton prices both increased by 15% YTD to $2,065/t and $2,285/t, respectively, while PVC powder prices rose to $775/t in October (+27% YTD). There has been a slight increase in the price of copper (+3% YTD). Regarding the *agriculture sector*, the prices of most commodities have moved a bit lower, except natural rubber. As input prices increased (input prices have been in expansionary territory for an eight-straight month) the **higher cost of production** is viable. According to the November PMI report, some companies passed on increased input prices to clients, resulting in the rise of output prices at the fastest pace in over two years. But on a large scale, we saw a wide divergence in different industries, displayed by the ability of firms to pass on their increased costs to consumers.

Our analyst believes that steel firms will have the ability to pass on increased costs to consumers, however, their profit margins should be lower compared to that of 2016. Meanwhile, other industrial manufacturers will *decrease discounts* to its distributors to maintain its profit margin, and high competition in the domestic market also hinders the ability of firms to raise selling prices. For the agriculture sector, the outlook is different because both input and output prices remain subdued. We expect a *slight increase in urea and rice prices*, while animal feed producers are likely to maintain their profit margin thanks to low input prices.

Figure 8: Vietnam headline CPI



Source: GSO

Figure 9: Bloomberg Commodity Index

Source: Bloomberg

Next Question: Will There Be a Big Inflation Turn in 2017?

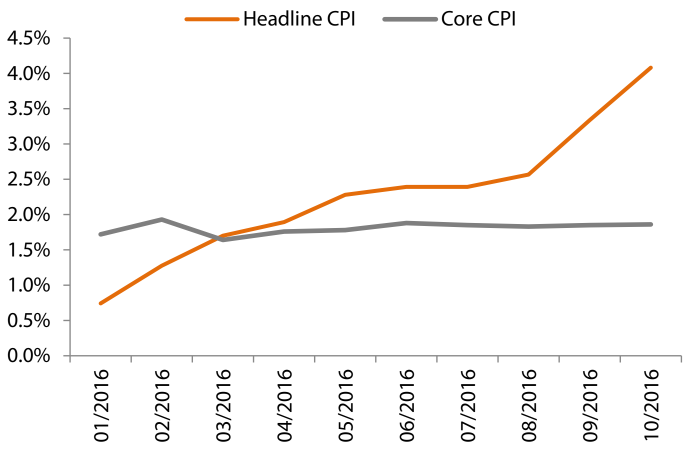
The Onset of the Base Effect. Inflation should pick up in the upcoming months due to the base effect from oil prices. Until now, crude oil was up 30% YTD, but on Year-over-Year measures, oil still decreased compared to the same period last year. Based on the latest World Bank's forecast, oil prices are expected to average $55/barrel, an increase of 25% in 2017. It is significant in terms of percentage, but a rise in oil prices from $45 to $55/barrel is not as inflationary as a climb from $100 to $125. The same reasoning applies to other raw materials. From above micro perspectives, some companies must absorb a part of the increase, while some may able to pass a share of the increase to consumers. We believe a relatively low level of crude oil will weaken the onset of the base effect.

Low Expectation of Inflation. At the moment, core inflation remains broadly flat at around 1.9-2.0% vs. the historic average of 7% between 2006-2015. Next year, the headline CPI level is very likely to increase due to the base effect as well as the price adjustments of good & services regulated by the Government, and it seems unlikely that core inflation will reflect much pressure.

There is another contributing factor explaining why we do not see the big turn in inflation. **The US dollar index** has appreciated from 95 to 98 since the end of September, as investors have betted on the high probability that the Fed will raise rates by the end of this year. Given the current central banking policy around the world, we believe the dollar will continue to rise next year. There is a historical inverse relationship between the dollar and commodity prices. Therefore, this should mean that the strengthening of the dollar should put pressure on a commodity bull market.

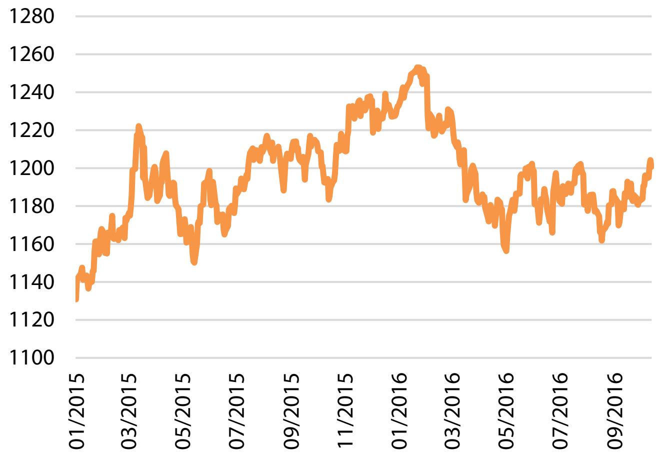
At the end of the day, a pickup in raw material prices should start to reflect the inflation and the low interest rate environment. It is difficult to see the inflationary impulse right now, but it is crucial for central banks and monetary authorities to understand the drivers behind prices that combat inflationary pressures.

Figure 10: Core CPI vs. Headline CPI



Source: Bloomberg

Figure 11: The US dollar index



Source: Bloomberg

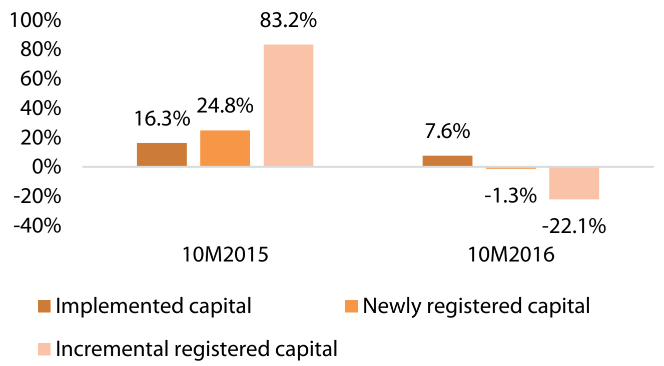
The US Election and Vietnam Trade Prospects

When we wrote this Strategy Report, the ongoing presidential election in the USA has created a lot of volatilities and fears in financial markets. However, this November, the US presidential election will be behind us soon, and investors are then likely to focus on the impact of the election result. Many investors would be shocked by a Trump victory, as concerns over his planned tariffs on imported goods are not good for trade and the TPP prospect. But a Clinton win is not really any better, as Hillary Clinton has publicly opposed the TPP since October 2015. As a result, the most direct implications from the US election outcome could be more uncertainty in US trade policy. Less tragic than a Trump victory, there is still a slight chance that the TPP could be passed with some modifications under the Clinton administration.

For **Vietnam trade prospects**, a bleak picture of the TPP agreement could demotivate both exporters and FDI investors. The performance of Vietnam trade has been very disappointing this year, due to the recent weakness of global trade and low commodity prices. In the first nine months of 2016, Vietnam's exports increased by 7% YoY while imports' growth dipped below 1%. Despite the near-term challenges facing Vietnam exporters, we think there are some reasons for optimism and that the recent downturn appears more cyclical than structural in nature. Key drivers that will help trade activity grow strongly next year include the following: (1) Strong FDI inflows; (2) a stabilization and renewed moderate growth in China; (3) the recovery of commodity prices; (4) besides the TPP, Vietnam is still on the progress towards liberalizing trade (FTA Vietnam-EU, RCEP, etc.)

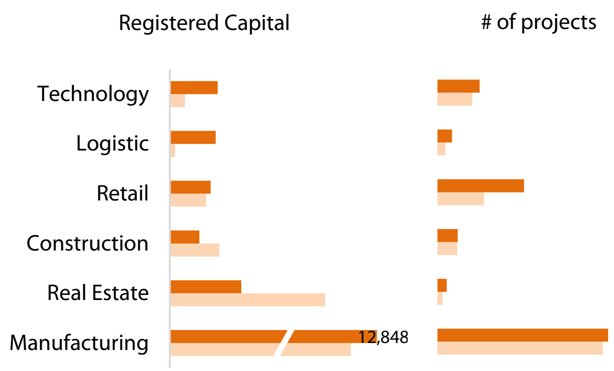
Firstly, **FDI capital continues to flow to Vietnam**. Despite a slight decrease (-1% YoY in US dollar value terms) of new registered FDI, we focus on the number of newly registered projects in the first ten months of 2016. To be specific, 2,061 new projects were registered, a 24.4% YoY increase, with a total value of $12.3 billion. At the industry level, FDI flow to the manufacturing sector posted a gain of 3% in US dollar value terms, while the upturn in investment in logistics, retail, and sciences and technology sector appears to reflect a better diversification in attracting FDI. Moreover, besides Samsung, companies such as LG, Microsoft and Intel also have plans to expand their operations in Vietnam.

Figure 12: FDI inflow growth



Source: MoF

Figure 13: Registered capital by industry (trillion $)

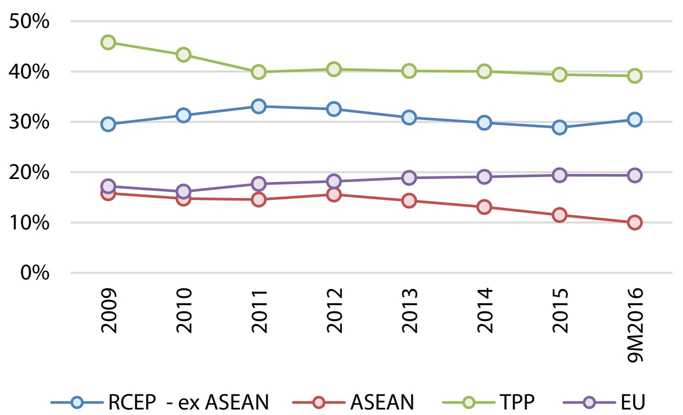


Source: MoF

Secondly, **China's economy is stabilizing** as increased policy stimulus supports demand. China official PMI was at 51.2 in October, beating forecasts and signaling continued cyclical strength. Even the structural slowdown and economic rebalancing have not been completed yet, and aggressive monetary policy and higher infrastructure investment are linked directly to the recent stabilization in China's growth and consequent recovery in commodity prices. Those factors contribute to our expectation that Vietnam's trade growth will accelerate next year, because of (1) Vietnam's trade growth still depends on China's momentum; (2) positive growth in exports value thanks to the recovery of commodity prices.

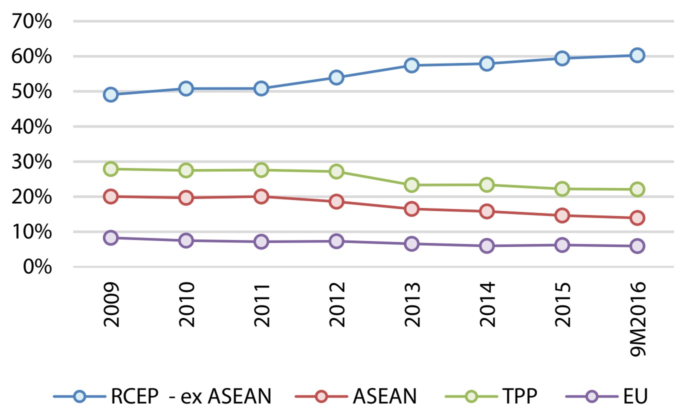
Thirdly, **Vietnam trade prospect has been growing very robustly over the longer term**. There is a quote saying "*If you give me a fish, I will eat today. If you teach me to fish, I will eat my whole life long*". In our view, the TPP acts like a fish and a US pivot to Asia policy given to Vietnam. However, Vietnam must know how to grab benefits from it, by improving and adapting areas such as labor standards, localization, supply chain, and to receive technology spillovers. From an optimistic perspective, a Clinton win might help to expand the preparation period for Vietnam to adapt the TPP's standards. Otherwise, we believe the liberalization trade policy still continues and Vietnam exporters should be well-prepared for an equally important free trade agreement - FTA Vietnam-EU, which will take effect in 2018. Whether Trump or Clinton wins the presidency, there will be a pick-up in investment growth in the US that should spur demand and trade in capital goods sectors. Stable growth in manufacturing sectors in Vietnam could be a strong preparation for the next US move.

Figure 14: The contribution to Vietnam exports



Source: Customs, RCEP-ex ASEAN: India, Korea, New Zealand, Japan, Australia, China

Figure 15: The contribution to Vietnam imports



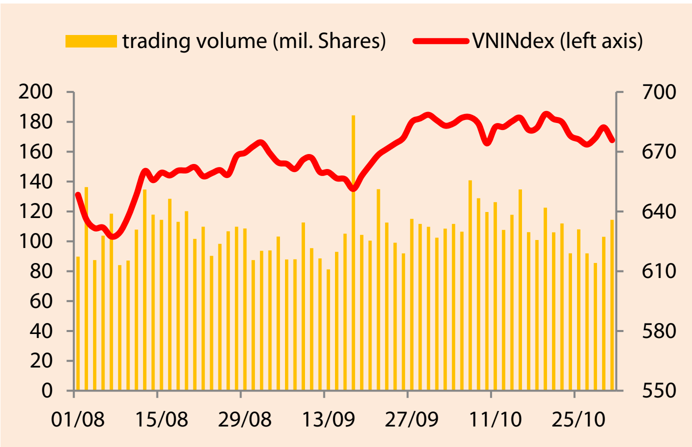
Source: Customs, RCEP-ex ASEAN: India, Korea, New Zealand, Japan, Australia, China

OCTOBER STOCK MARKET: THE MARKET COULD NOT MAKE UP ITS MIND

The VN-Index went back and forth between 670 and 690. It closed at 685.73 points in September, and the VN-Index was expected to conquer the resistance level of 690 and advance to 700 points in October thanks to earnings momentum from Q3. The index had three opportunities to reach the 690 milestone (October 7th, 10th and 20th), but all failed. It even fell to the 670 zone twice (October 10th and 26th) before bouncing back thanks to relatively strong bottom-fishing demand. To sum things up, this was the first full month of the year that the VN-Index did not show a clear trend but went into a long accumulation phase with ups interleaved with downs. However, it went down more often than up as October came to an end, and eventually ended up at 675.8 points. The decrease also came with a decline in liquidity; the average daily turnover value on 2 exchanges was 2,868VND billion, 17% lower than the previous month.

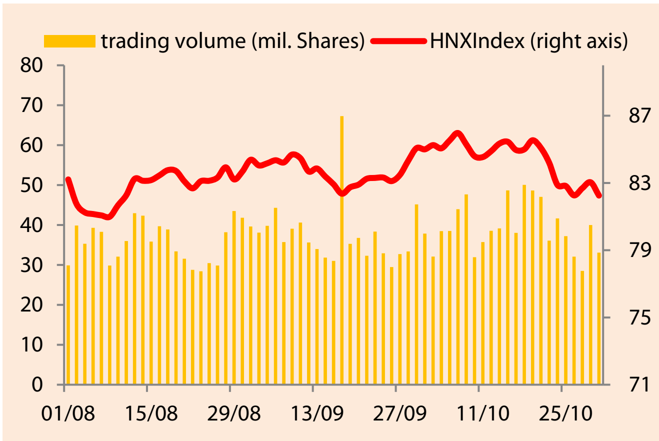
ROS was the wildcard. In October, the VN-30 and VN-MID both fell sharply by 3.6%, and the VN-SML decreased by 1.2%, yet the VN-Index lost "only" 10 points, equivalent to a decline of 1.4%. The reason is that ROS has significantly supported the overall scores. Surging 153% in October, ROS quickly became one of the largest companies in terms of market capitalization. With a market cap of 37,109VND billion as of October 31st, equivalent to 2.7% of VN-Index's market cap, ROS promises to be a wildcard that will influence the index unpredictably in the coming months as fundamental elements can hardly explain the movement of this stock price.

Figure 16: VNIndex Movement in October



Source: Rongviet Research

Figure 17: HNX-Index Movement in October



Source: Rongviet Research

Unexpected "Sell Off" Season is Coming to Town

It has been a while since the market has experienced a big "sell off" like last month. The price correction spread out to every sector, in which the Oil & Gas sector was hit the most (-9.5% MoM). Oil & Gas stocks (PVB, PVS and especially PVD) were pulled back to the ground after the hype about the OPEC output freeze plan, as the feasibility of this plan remains questionable. Meanwhile, their business performances have not yet shown any improvement. Revenue and NPAT of the Oil & Gas sector in Q3 2016 decreased by 44% and 90% PoP, respectively, while those in 9M 2016 fell by 42% and 71%, respectively. Other sectors with poor business results were Automobiles & Parts (HHS, TMT, CSM) and Travel & Leisure. The list did not include Financial Services, Utilities, and Real Estate as the business results of these sectors were distorted by a few individual stocks such as OGC and AGR (Financial Services), GAS (Utilities), and HAG (Real Estate).

On the other hand, many sectors still showed growth, with top performance belonging to Construction (CTD, HBC, HUT), Building materials (VCS, BMP, HT1, VCG) and Basic Resources (HPG, HSG, SMC, NKG, TLH). The results once again proved one of the most prominent investment ideas throughout this year; that is, the activity of construction activities has benefited all the related industries. However, it seemed that these earning results were already expected and reflected into the market, which explained the decrease in share price. **Therefore, most people who bought the stocks to catch the waves of Q3 earnings were caught off guard and suffered losses.**

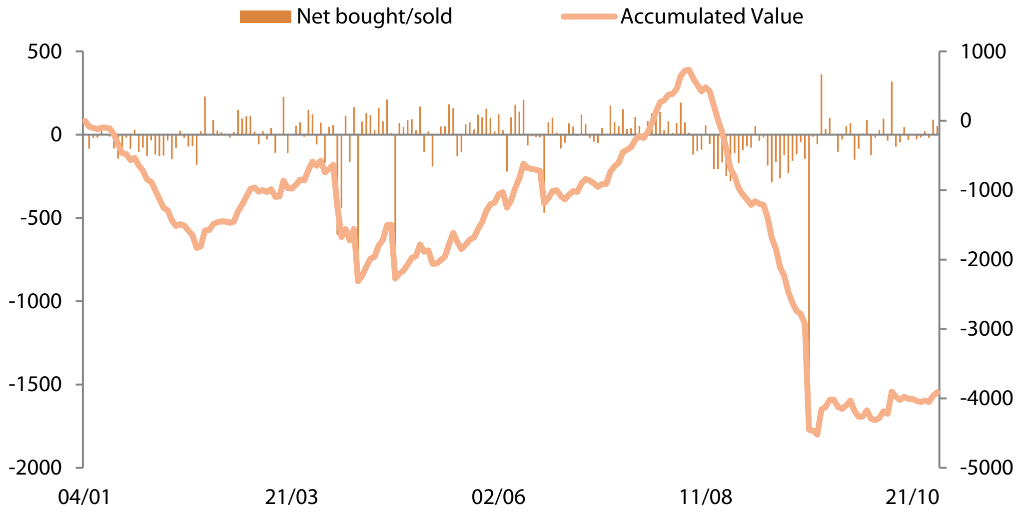
Table 1: Revenue and NPAT Growth of Different Sectors *

	Revenue Growth Q3 2016	NPAT Growth Q3 2016	Revenue Growth 9M 2016	NPAT Growth 9M 2016
Retail	21.8%	25.0%	23.4%	35.5%
Insurance	18.7%	15.5%	22.1%	12.0%
Real Estate	20.0%	-49.3%	47.6%	-24.0%
Real Estate (excluding HAG)	29.6%	-34.3%	55.1%	21.2%
Technology	2.4%	17.0%	-21.0%	3.3%
Oil & Gas	-44.4%	-89.9%	-41.8%	-71.3%
Financial Services	28.9%	-63.7%	37.1%	-73.9%
Financial Services (excluding OGC and AGR)	30.8%	67.4%	41.5%	9.0%
Utilities	-8.2%	-43.1%	-9.5%	-41.4%
Utilities (excluding GAS and PPC)	2.0%	20.9%	-9.2%	3.1%
Travel & Leisure	-5.0%	-60.7%	7.3%	-46.1%
Industrial Goods & Services	5.4%	13.8%	5.7%	4.1%
Personal & Household Goods	5.9%	7.9%	10.9%	30.3%
Chemicals	-9.1%	-24.2%	-10.1%	-12.1%
Banks	13.7%	11.1%	14.4%	6.6%
Automobiles & Parts	-5.1%	-30.3%	0.2%	-36.3%
Basic Resources	9.0%	53.9%	2.9%	62.2%
Food & Beverage	15.3%	51.6%	21.8%	-15.1%
Media	5.4%	4.4%	12.4%	37.2%
Construction & Materials	9.9%	83.7%	11.5%	39.0%
Health Care	103.5%	13.8%	39.5%	15.5%

*Source: RongViet Research *collected from 608 companies announced Q3 result*

Foreign Investors' Activities: Foreigners Turned to Net Buyers after 2-Month Selling

Figure 18: Net year-to-date buying/selling value of foreign investors



Sources: FiinPro, RongViet Research

Foreign investors turned to net buyers after having net sold in August and September. In the HSX, foreigners net bought VND81.95 billion worth of shares. Construction and building materials stocks were top picks with total values of VND208.88 billion. The second position belongs to the food and beverage industry where offshore investors purchased VND105.48 billion. VNM and CII were on the 1st and 2nd position among other stocks in the HSX. CII is one case where we would like to add more information regarding its foreign ownership. On October the 14th, when the company announced to lift up its foreign ownership limit (FOL) from 49% to 70%, a large put through trade of VND350 billion took place; hence, total ownership of foreign shareholders at CII increased from 49% to 53.32%. It was such a surprise that despite the large size of the deal (~12.79% of total chartered capital of CII), there haven't been any pieces of information disclosing the identity of buyers (or the buy, we expect). On the other hand, the real estate sector was still net sold very aggressively by a total value of VND264.61 billion. VIC, PDR, and KBC were the three stocks that foreigners sold the most in Oct.

In the HNX, foreigners continued to remain bold for the third month in a row, as the total value was VND39.95 billion. The oil and gas sector was on the top list with a dominant value of VND47.54 billion thanks to PVS (+VND47 billion). Automobiles and parts were strongly sold at VND20.69 billion worth of shares. Many firms of this group witnessed negative business results. The 9M2016 revenue increased very slightly by 0.2% YoY while the NPAT sharply decreased by 36.3% YoY.

Table 2: Net values by sectors (Unit: billion VND)

Sector	HSX	HNX
Oil & gas	65.18	47.54
Chemicals	54.95	10.79
Basic resource	-66.42	-5.74
Construction & building materials	208.88	9.97
Industrial goods & services	14.51	-0.46
Automobiles & parts	-88.57	-20.69
Food & beverage	105.48	5.31
Personal and household goods	27.28	2.53
Healthcare	6.90	10.51
Retail	-15.01	0.61
Communication	0.00	3.24
Travel & leisure	59.51	1.13
Utilities	73.69	0.66
Banks	-109.25	-1.89
Insurance	7.92	-2.26
Real estate	-264.64	-32.00
Financial services	0.84	12.30
Technology	0.71	-1.61
Total	**81.95**	**39.95**

Source: FiinPro, RongViet Research

Stocks on both the HSX and HNX suffered in October as enthusiasm faded and the market went through a correction phase. The gains of BHN, FLC, and ROS were exceptional since most stocks either went sideways or lost a little bit during the month. In fact, without the support from ROS, the VNIndex would not have possibly closed only 1.4% lower in October. Liquidity dwindled at the same rate that confidence deteriorated; the combined daily volume on the two exchanges dropped 5.2% on average as compared to that recorded in September to just 150 million shares a day. Acting as opportunistic buyers, foreigners were more active during down days and accumulated a net VND122 billion, mostly in HPG and VNM. There was little improvement in the sentiment in the first few days of November as the trading remained slow and cash flows were hardly seen among large-caps.

On the macro side, the high possibility that the US Federal Reserve will raise interest rates in December (70% according to Bloomberg) threatens to push the USD/VND exchange rates into turbulence again. Our economist believes that the VND's rate of depreciation until the end of the year will also depend on the volatility of the CNY. In October, the SBV continued to adjust the center exchange rate downward, putting the VND at a 0.71% depreciation against the USD from the beginning of 2016. Exchange rates in the open market have also increased but at a slower pace, which was made possible by an ample supply of dollar coming from strong FDI inflows and continuously strengthening foreign exchange reserve. Therefore, we believe the exchange rate volatility is not the biggest risk to watch out for right now.

Reported at 51.2, China's Manufacturing PMI in October saw the fastest improvement in the past 4 years according to Markit. The country's producer price index (PPI) also picked up by 0.1% MoM in September following a declining streak starting in March 2012. Our macro team perceived the PPI improvement as a sign of recovery in China's manufacturing sectors. On top of the growing needs for materials from the US, China's improving demand has had a positive effect on the prices of basic resources such as natural rubber, iron ore, cotton, etc. Since the beginning of the year, natural rubber prices have gained 27%, crude oil (Brent) 44% and PVC resin 27%. This implies a difficult year for Vietnamese manufacturing companies relying on imported materials. The ability to pass on the increase in input prices and maintain the gross profit margin will depend on each company's market power as well as the demand in their respective sector.

Table 3: 9M2016 Revenue and NPAT growth by market cap group

Market cap group	% Revenue growth (YoY)				% NPAT growth (YoY)				% Operating income growth (YoY)			
	Q1	Q2	Q3	9T	Q1	Q2	Q3	9T	Q1	Q2	Q3	9T
HSX + HNX	**8.5**	**4.3**	**7.9**	**6.8**	**-1.9**	**-26.6**	**-2.1**	**-12.3**	**7.4**	**-2.2**	**-2.9**	**0.3**
>5,000 billion VND	10.9	8.2	10.6	9.9	-0.2	-17.8	18.2	-3.1	13.2	3.2	-1.6	4.6
1,000-5,000 billion VND	15.5	8.1	4.7	9.0	-22.0	-38.6	-10.5	-24.3	3.9	6.9	-13.7	-1.5
<1,000 billion VND	1.6	-2.4	6.6	1.9	27.6	-54.4	-41.9	-30.7	-7.5	-29.6	10.1	-11.0
Excluding TTF & KDC												
HSX + HNX	**8.9**	**4.8**	**8.1**	**7.2**	**-2.0**	**-2.0**	**-3.8**	**-2.6**	**7.5**	**1.8**	**-0.8**	**2.6**
>5,000 billion VND	11.7	8.9	10.7	10.4	-0.2	17.4	10.4	9.7	13.6	2.7	-1.1	4.7
1,000-5,000 billion VND	15.5	8.1	4.7	9.0	-22.0	-38.6	-10.5	-24.3	3.9	6.9	-13.7	-1.5
<1,000 billion VND	1.7	-1.9	7.0	2.2	26.9	-14.0	-30.9	-12.6	-8.5	-7.4	21.8	1.0
Excluding TTF, KDC & O&G stocks												
HSX + HNX	**13.4**	**7.9**	**12.5**	**11.1**	**12.8**	**8.3**	**10.2**	**10.2**	**25.4**	**13.9**	**12.8**	**16.7**
>5,000 billion VND	23.3	18.8	23.1	21.7	27.5	45.9	47.6	40.9	51.7	28.0	25.1	33.6
1,000-5,000 billion VND	15.5	8.1	4.7	9.0	-22.0	-38.6	-10.5	-24.3	3.9	6.9	-13.7	-1.5
<1,000 billion VND	2.9	-1.7	7.6	2.9	33.1	-10.0	-28.4	-9.1	-6.4	-6.5	23.6	2.6

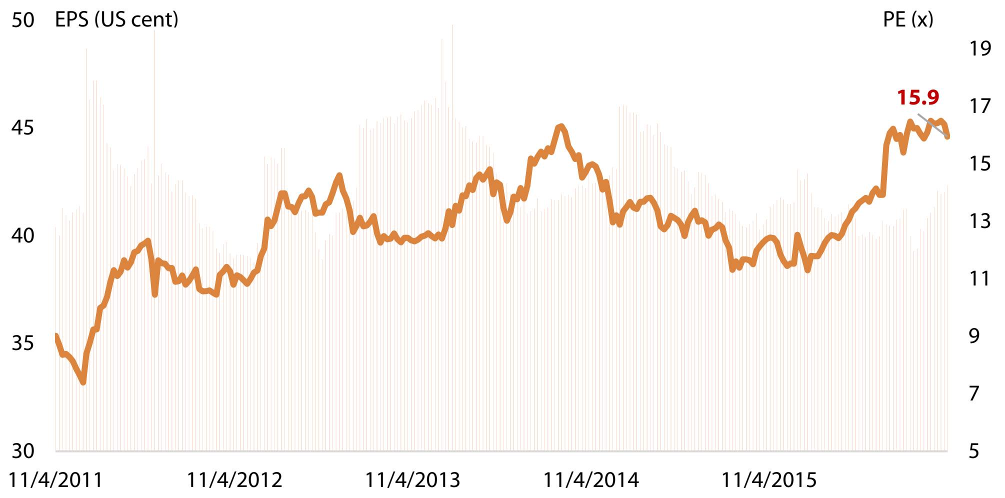
Source: RongViet Research, FiinPro

While firms like HPG, HSG, CTD and VNM continuing to report two-digit growth in sales and net profit, the stock market's nine-month earnings landscape looked gloomy with huge losses from TTF, HAG, HNG, PPC, AGR, etc. Our statistics, covering 590 listed companies that have posted Q3 financial statements, showed an increase of 6.2% YoY in net revenue but a drop of 12.3% YoY in NPAT in the nine months to September. Without TTF and KDC, the increase in revenue would have extended to 7.2% YoY but NPAT growth would have still remained on the low at a -2.6% YoY. When we move on to exclude Oil&Gas stocks, the figures indicated a growth rate of 10.2% YoY in NPAT. With this, it seems unlikely that the YTD gain of 16.2% of VNIndex, which was led by a small number of large-caps, was based on the mass improvement in companies' profits.

Considering the absence of earnings growth, a breakthrough on the macro side, and the foreign investors' wariness ahead of the US election in November, we believe that indices will continue going sideways at least until the third week of November. Though many investors' year-to-date gains were slashed in the last correction, few people are suffering from losses. In a defensive stance, many are just holding cash in search of good opportunities to cash in. On the other hand, we expect to see waves of IPOs and new listings on the UPCOM alongside SCIC's sale of stakes in VNM and other companies in the last two months of the year. The process should draw cash flows out of the listed market as investors brace for the new, possibly high-quality supply.

The VNIndex is expected to move between 656 – 685 and the HNIndex between 79 – 81 in November.

Figure 19: Trailing P/E & EPS of VNIndex, 2012-2016



Source: RongViet Research, Bloomberg

From our observations, many stocks, having gone through a rally, are now at the same price level as three months ago. With a trailing P/E of 15.9x for the VNIndex, it seems that the market needs a widespread drop before stock prices look attractive again. Though it is hard to say that stocks are cheap now, any sudden drops in the market will allow quick-eyed investors to lower their cost prices and/or accumulate stocks with a strong outlook in 2017. We expect to see some positive movements among sectors such as construction, industrial real estate, personal and household goods and retailing due to the seasonality in earnings. Moreover, given the low-interest rates, stocks with high dividend yields should be solid considerations for long-term investors.

Table 4: Sector key indicators

Sector	+/- Price 1 month (%)	+/- Price 3 month (%)	+/- Price 1 year (%)	Market cap (billion VND)	ROAA (%)	ROEA (%)	P/E	P/B
Banks	-4.0	-4.3	-4.4	317,492	0.8	11.8	12.5	1.7
Chemicals	-4.4	-0.6	0.3	41,664	8.4	14.3	9.6	1.4
Construction& Building materials	14.5	45.0	77.8	142,707	8.6	17.0	16.8	3.8
Financial services	-5.4	-5.2	-9.2	25,192	5.2	9.7	9.5	1.0
Food & Beverages	1.9	14.0	20.3	309,132	22.4	31.2	19.1	6.1
Healthcare	-8.2	9.5	60.6	22,108	13.3	21.1	14.7	3.0
Industrial goods & servicez	-5.2	-1.1	4.3	62,956	9.4	15.1	10.7	1.7
Insurance	-8.5	8.6	20.7	61,060	2.5	9.3	25.2	2.7
Media	-22.9	-1.8	130.2	10,917	3.6	4.6	14.3	1.6
Oil & Gas	-11.4	0.9	-0.6	17,430	2.1	4.6	18.9	0.7
Personal & household goods	-4.4	0.4	36.2	26,016	11.7	23.5	14.3	3.0
Real estate	-1.5	1.9	9.9	178,868	2.5	6.6	23.6	3.0
Resources	-5.4	-0.5	16.3	78,293	8.9	16.9	7.7	1.6
Retail	7.8	18.8	64.4	26,280	16.7	45.1	13.5	5.7
Technology	-7.6	5.3	7.3	25,244	7.3	16.7	10.0	1.9
Travel & Tourism	1.3	-5.4	-11.3	10,917	13.4	17.4	9.0	2.6
Utilities	-6.2	9.5	62.4	164,218	8.0	12.1	21.3	2.8

Sources: RongViet Research, FiinPro

Gradual decreases in stock prices and low liquidity will not support trades aiming at short-term returns. On the other hand, it will be hard to capitalize in Q4 earnings expectations now that nearly all of the stocks with a positive outlook for earnings have been identified by the market and earnings surprises are unlikely outside sectors with seasonality. We believe, however, that this is a good time for investors to start screening stocks for 2017. For the intermediate and long term, we are still confident about industries with a strong link to growth and investment, i.e. Infrastructure, Materials, Industrial Real estate, Technology, Industrial Goods & Services.

Recent increases in basic material prices are placing manufacturers under pressures of more expensive inputs. Nonetheless, large steel companies like HPG, HSG and possibly NKG can still benefit from growing market demand as well as their dominant market shares. We believe that these companies' market power will allow them to pass on the increase in input prices, though only partly, to their customers and that the expansion in sales volume, especially in high-end products, will help offset the effect of the gross profit margin contraction.

Slow sales of high-end real properties along with the call for lending restriction against real estate developers should also affect the outlook of contractors. However, the current backlog should allow top players such as CTD, HBC and SRF to continue expanding their bottom line as long as they can maintain their gross profit margins. Expecting to make over VND 2,000 billion out of its upcoming private placement, CTD has devised plans to diversify into the infrastructure and office leasing segment to reduce its reliance on the cyclical construction business. Outside the low risk BOT segment, HUT has been actively investing in infrastructure projects under new frameworks such as BT, BOO and PPP, which are not only more profitable but also encouraged by the government.

The decline in nine-month NPAT of seaport operators as a result of a shortfall in reefer revenue was in line with our forecasts. However, we still expect the cargo volume in Northern Vietnam to grow at a faster pace in the intermediate and long term when large FDI projects come into stable operation. Even with increasing competition, seaport companies with feasible expansion plans and locational advantage still have plenty opportunities for growth. Given their strong cash flows, these companies are among the most consistent dividend payers in the market. After the extended decline of the stock market, seaport stocks can be found trading at a bargain.

- Retail: SVC, PTB, MWG, PNJ
- Construction: CTD, CTI, HBC, HUT, SRF
- Building materials: NKG, HPG, HSG, PLC, NNC
- Electricity: NT2, PPC, REE, HND
- Real estate: KDH, TDH, VGC
- Transport: PVT, HAH, VSC
- O&G: PGS, PVS
- Banks: VCB, ACB
- Food & Beverages: VNM, BHN, NCS
- Other: FPT, DRC, DPM, VFG, SKG, VNS, BFC, DHC

Table 5: Stocks with strong 9M earning growth & high dividend yields*

Ticker	Price (VND)	3M Avg Volume (share)	Market Cap (billion VND)	Foreign Ownership (%)	P/E (x)	P/B (x)	ROE (%)	ROA (%)	9M Revenue Growth (%)	9M NPAT Growth (%)	Dividend Yield	% +/- Price YTD
AMD	15,250	466,086	951.60	0.04	14.45	1.41	8.28	5.94	39.17	181.73	6.6	63.07
ASM	15,700	1.421,322	3,453.06	4.16	16.53	1.33	8.33	5.01	60.65	230.47	6.4	-8.19
BPC	22,100	18,745	83.98	2.48	5.20	0.88	18.29	8.32	16.27	93.45	5.4	91.74
CTI	28,250	374,227	1,214.75	28.64	10.11	1.79	14.53	2.77	47.84	60.35	5.3	50.67
CVT	41,800	400,270	802.56	5.39	7.51	2.48	34.99	11.11	49.60	98.98	6.0	97.12
DSN	64,700	10,236	781.77	17.77	10.01	3.70	41.74	38.80	9.25	11.68	7.3	16.99
HBC	29,300	1.730,365	2,767.31	31.22	7.79	2.03	28.71	3.82	98.80	485.03	5.1	92.76
HPG	39,500	4.307,597	33,289.24	35.79	6.38	1.85	31.86	19.49	14.76	59.33	5.1	62.71
HTI	18,400	107,360	459.07	9.77	6.91	1.19	17.26	5.18	43.08	21.87	6.5	36.79
HUT	12,400	1.958,063	2,186.48	16.02	4.13	0.95	20.30	5.39	212.52	681.82	9.7	24.16
NAG	4,700	16,744	69.79	2.14	5.14	0.41	7.99	4.21	21.94	31.08	6.4	5.67
PVT	12,300	941,456	3,461.71	24.63	7.61	1.00	11.04	4.74	20.37	51.14	6.5	40.93
TTB	5,500	264,049	212.85	0.23	2.85	0.50	17.59	10.75	122.95	135.02	14.5	-49.07
VDS	7,600	25,798	532.00	0.04	8.78	0.70	7.56	3.81	97.78	358.23	10.5	-15.56
VIT	28,700	39,164	430.49	2.69	8.84	2.09	25.66	6.42	33.65	43.47	5.2	57.99
VKC	15,400	217,934	308.00	20.03	4.84	1.17	22.91	7.21	14.08	151.35	9.7	76.67

Source: RongViet Research, FiinPro

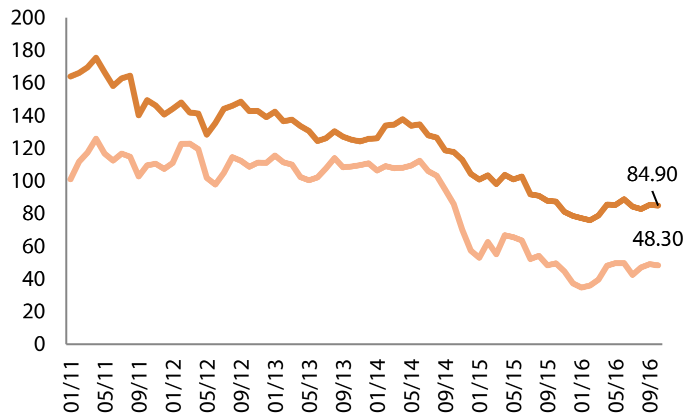
**Year-over-year Revenue and NPAT growth of the last 3 quarters >0, Dividend Yield>= 5%, 3-Month Average Volume >10,000 shares*

APPENDIX: Commodity prices recovery and domestic prices

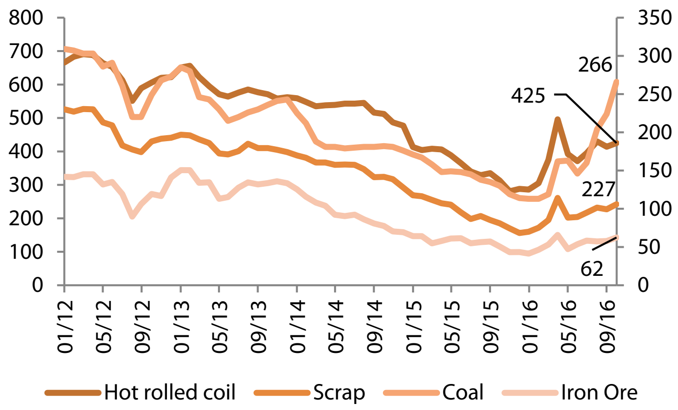
COMMODITY PRICES

Source: Bloomberg, RongViet Research

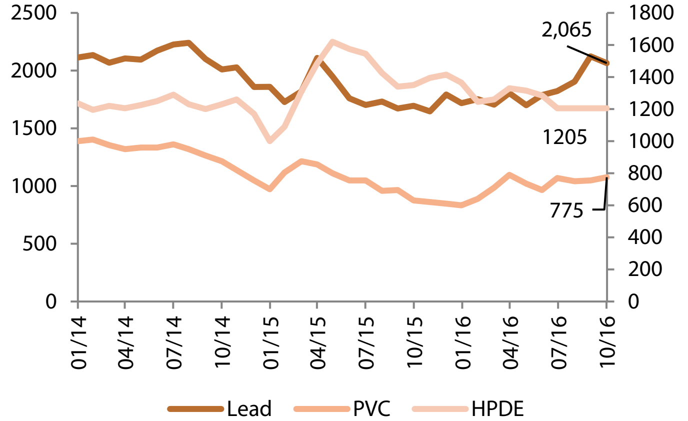
Oil price & Commodity Index



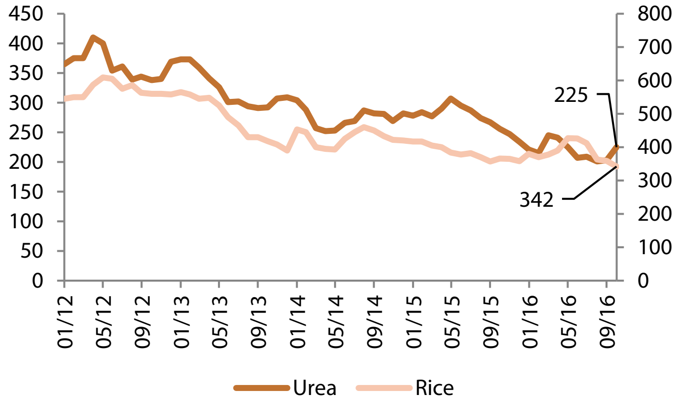
Steel inputs



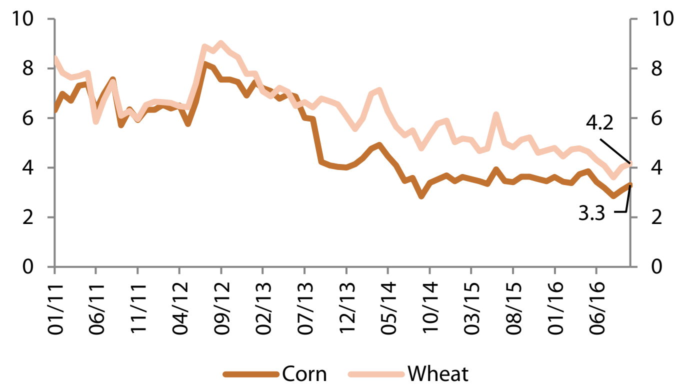
Industrial inputs



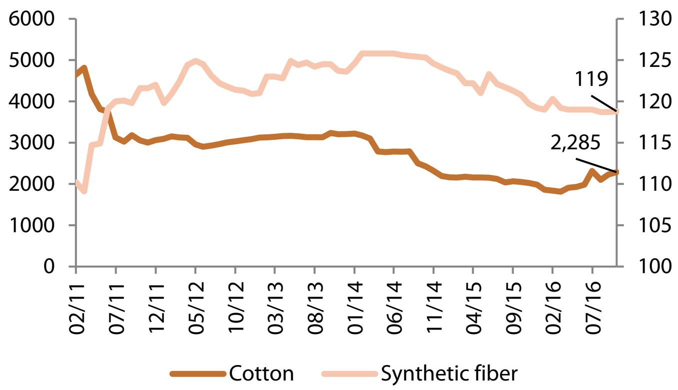
Agriculture



Feed inputs



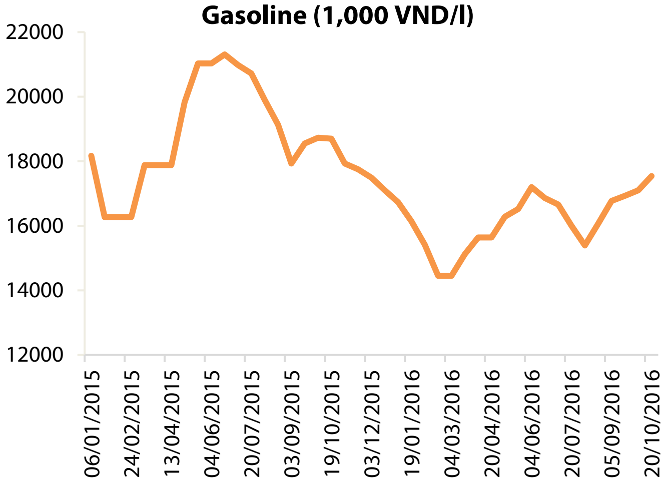
Cotton & Synthetic fiber



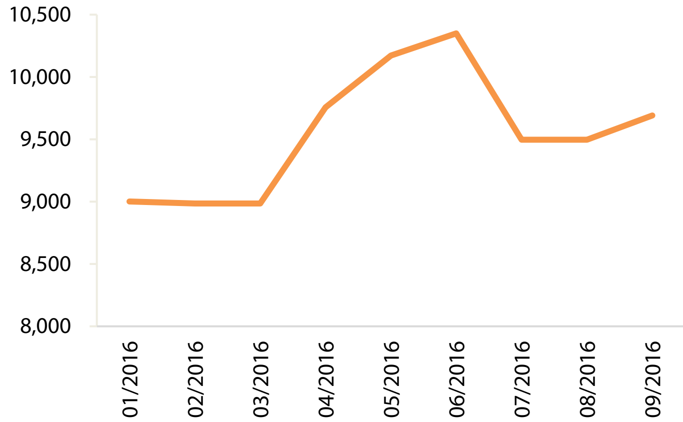
DOMESTIC PRICES

Source: CQLG, RongViet Research

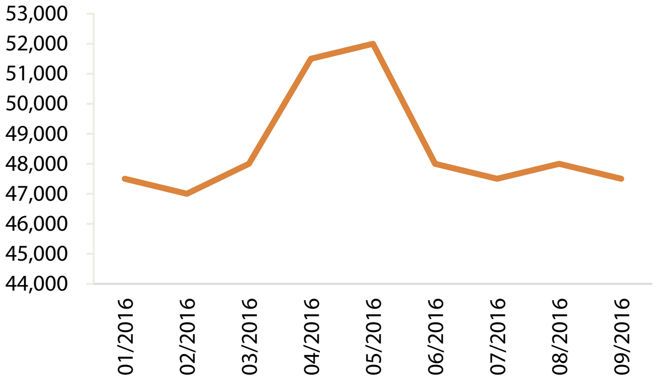
Gasoline (1,000 VND/l)



Steel (1,000 VND/kg)

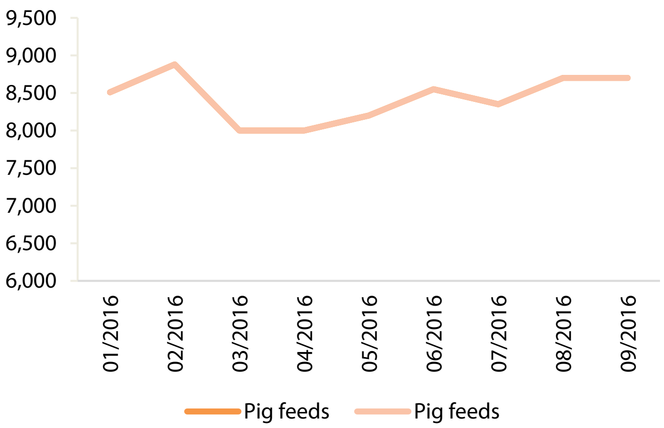


Pork (1,000 VND/kg)

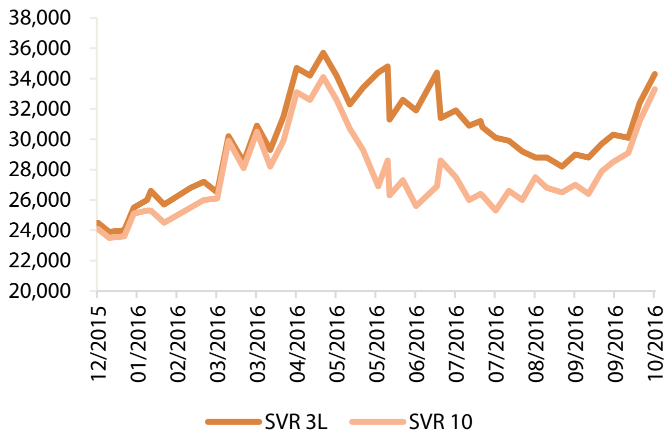


Rice & Urea (1,000 VND/kg)

Animal Feeds (1,000 VND/kg)



Natural Rubber (1,000 VND/kg)



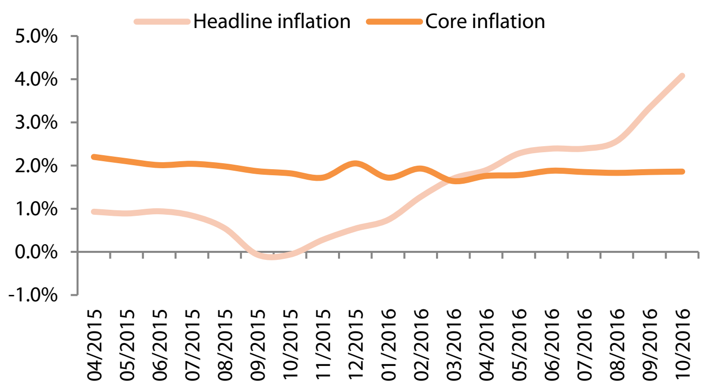
HIGHLIGHT STOCKS

							Financial				Valuation			Trading			
							2016F		2017F								
No.	Ticker	Subsector	Target Price(VND)	Current Price(VND)	Rating	Time Horizon	+/-Rev. (%)	+/-NPAT (%)	+/-Rev. (%)	+/- NPAT (%)	P/E (x)	P/B (x)	Dividend Yield (%)	+/- Price 1y (%)	3-month Average Volume (shares)	Market Cap (billion VND)	Foreign room (%)
1	ACB	Banks	22,500	19,000	Accumulate	Long-term	8.2	29.4	21.8	48.1	14.5	1.2	-	(6.9)	283,631	17,029,204.1	-
2	BFC	Chemicals	43,000	34,300	Accumulate	Long-term	2.4	19.2	10.2	6.7	7.6	2.1	5.8	69.8	146,689	1,960,862.2	32.8
3	CHP	Electricity	23,000	20,600	Neutral	Long-term	(16.0)	(25.0)	5.0	12.1	12.6	1.8	7.8	4.5	27,865	2,570,390.0	45.7
4	CTD	Construction & Materials	195,000	179,500	Neutral	Long-term	54.9	102.9	25.0	15.0	9.3	2.2	1.7	97.7	140,806	11,758,433.4	2.5
5	CTI	Construction & Materials	36,000	31,000	Accumulate	Intermediate-term	35.0	105.0	17.9	2.5	10.1	1.8	5.3	54.0	363,381	1,216,899.9	20.4
6	DPM	Chemicals	31,500	27,550	Accumulate	Intermediate-term	(8.9)	11.8	1.0	(10.0)	8.2	1.2	10.9	(7.7)	568,533	10,781,258.9	25.9
7	DRC	Automobiles & Parts	42,000	36,600	Neutral	Long-term	10.7	(17.1)	7.0	12.1	10.7	2.6	-	10.3	262,578	4,347,809.3	16.7
8	FPT	Software & Computer Services	58,000	42,150	Buy	Intermediate-term	10.0	11.6	9.6	16.1	9.7	2.1	4.7	(2.5)	1,854,934	19,361,362.6	-
9	GMD	Industrial Transportation	28,000	26,250	Neutral	Long-term	4.9	(5.6)	7.9	23.0	12.4	0.9	-	2.3	843,156	4,710,097.38	19.0
10	HAH	Industrial Transportation	44,000	38,000	Accumulate	Long-term	(4.9)	(20.0)	4.3	(2.6)	6.8	1.5	7.9	(13.2)	76,688	871,686.9	27.8
11	HPG	Industrial Metals	54,500	39,600	Buy	Long-term	23.6	58.2	22.7	17.5	6.4	1.9	5.1	51.1	4,242,937	33,373,520.0	13.0
12	HSG	Industrial Metals	52,100	40,050	Buy	Intermediate-term	10.3	124.1	27.5	34.6	5.2	1.9	-	78.8	1,922,646	7,871,420.2	21.3
13	HUT	Construction & Materials	15,000	12,000	Accumulate	Long-term	75.5	173.5	14.9	41.6	4.0	0.9	10.0	18.0	1,956,357	2,115,953.0	33.0
14	MWG	Electronic & Electrical Equipment	165,000	151,500	Neutral	Long-term	72.0	51.2	38.5	22.5	14.1	6.4	-	111.6	251,622	22,206,801.2	-
15	NCS	Food services	82,000	70,000	Accumulate	Long-term	10.0	12.0	10.0	13.0	9.4	4.5	6.9	n/a	5,372	851,734.7	46.9
16	NKG	Industrial Metals	45,700	36,000	Buy	Intermediate-term	51.6	353.5	44.1	27.8	3.8	1.7	-	170.0	547,740	1,801,237.0	45.0
17	NNC	Construction & Materials	94,400	89,600	Neutral	Long-term	19.2	52.8	14.4	15.8	8.8	3.6	3.3	102.6	55,469	1,473,042.1	28.0

18	NT2	Electricity	36,400	35,100	Neutral	Intermediate-term	(9.9)	8.0	(6.7)	(3.0)	7.6	2.1	-	71.2	520,599	9,999,148.6	27.2
19	PGS	Utilities	20,600	17,500	Accumulate	Intermediate-term	16.0	204.0	10.6	(66.3)	3.6	0.9	9.1	1.5	196,779	874,978.9	27.7
20	PLC	Construction & Materials	32,300	27,600	Accumulate	Intermediate-term	(10.6)	(17.7)	9.4	14.1	11.2	1.7	7.2	(18.0)	32,962	2,230,012.8	41.5
21	PNJ	Personal Goods	83,700	69,000	Accumulate	Long-term	6.0	224.7	8.0	28.4	19.1	4.3	2.2	122.9	147,726	6,780,896.9	-
22	PPC	Electricity	19,400	15,050	Accumulate	Long-term	(21.6)	(38.9)	14.2	50.8	(14.9)	1.1	11.3	(6.3)	181,577	4,788,226.9	34.0
23	PTB	Household Goods & Home Construction	130,000	116,800	Neutral	Long-term	22.4	33.8	12.5	13.3	9.8	3.8	-	147.0	42,616	2,522,942.0	39.0
24	PVT	Industrial Transportation	15,300	12,250	Accumulate	Long-term	5.1	13	1.2	1.0	7.6	1.0	-	24.3	925,032	3,447,642.0	24.2
25	REE	General Industrials	26,800	20,600	Buy	Long-term	2.1	(3.6)	4.2	22.4	8.5	1.0	4.9	(6.6)	891,842	6,387,049.1	-
26	SKG	Travel & Tourism	103,000	81,400	Buy	Intermediate-term	30.5	34.9	9.4	(8.0)	13.0	4.2	1.2	38.4	67,343	2,789,679.1	-
27	SRF	Construction & Materials	32,100	29,200	Neutral	Long-term	44.0	29.4	12.0	11.9	8.0	1.7	5.1	117.7	39,802	711,366.8	22.0
28	TCL	Industrial Transportation	34,000	29,500	Accumulate	Long-term	8.0	3.0	6.0	5.0	6.9	1.1	5.1	(3.2)	12,648	617,844.8	35.0
29	TDH	Real Estate Investment & Services	15,800	10,350	Buy	Long-term	(30.3)	107.9	38.4	(19.2)	5.8	0.4	9.7	(10.1)	300,076	734,729.74	5.4
30	VCB	Banks	36,000	35,000	Neutral	Long-term	10.3**	24.5	8.4**	19.6	18.7	2.7	2.9	0.0	1,271,366	125,921,900.1	9.4
31	VFG	Chemicals	112,000	79,000	Buy	Long-term	8.0	4.2	9.0	14.3	10.0	2.0	2.5	57.8	26,428	1,444,391.4	27.7
32	VGC	Construction & Materials	18,300	16,900	Neutral	Long-term	7.6	62.7	8.3	8.7	13.6	1.5	2.4	106.0	225,063	5,181,546.0	46.2
33	VNS	Travel & Tourism	37,000	34,800	Neutral	Long-term	8.8	6.5	11.6	9.7	7.6	1.4	5.7	17.0	245,055	2,361,499.9	6.2
34	VNM	Food Producers	146,000	140,900	Neutral	Long-term	17.0	26.0	15.4	10.0	21.6	10.0	3.5	42.7	1,995,274	204,509,430.3	0.7
35	VSC	Industrial Transportation	71,200	59,100	Accumulate	Long-term	18.5	(9.0)	17.6	23.0	11.5	2.0	3.4	(4.9)	184,095	2,692,427.1	-

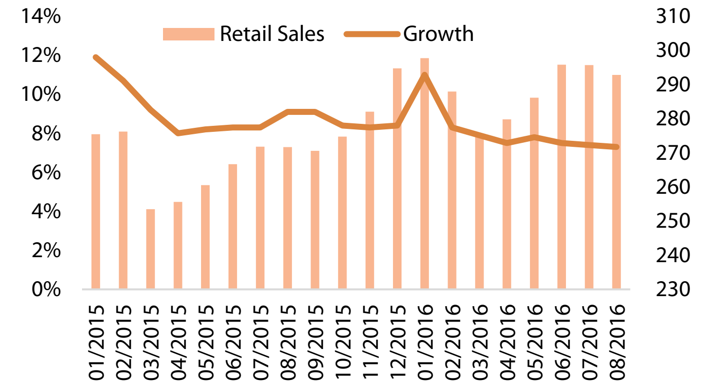
*Source: RongViet Research; * Total operating income growth; ** Fiscal year ends in September; *** Core business results*

Headline inflation increased sharply in October



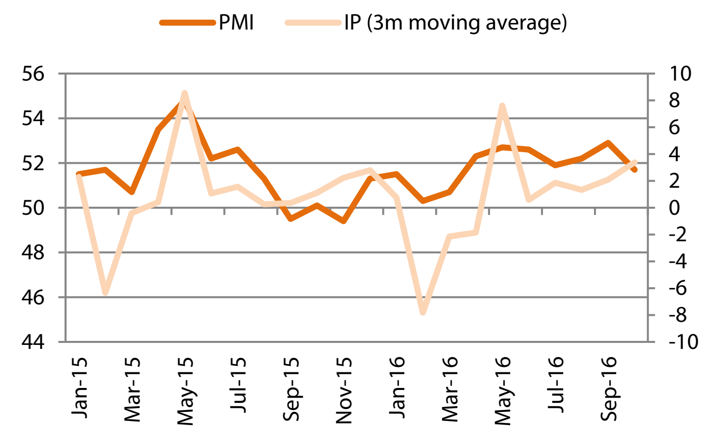
Source: GSO, RongViet Research

Retail sales maintained stable



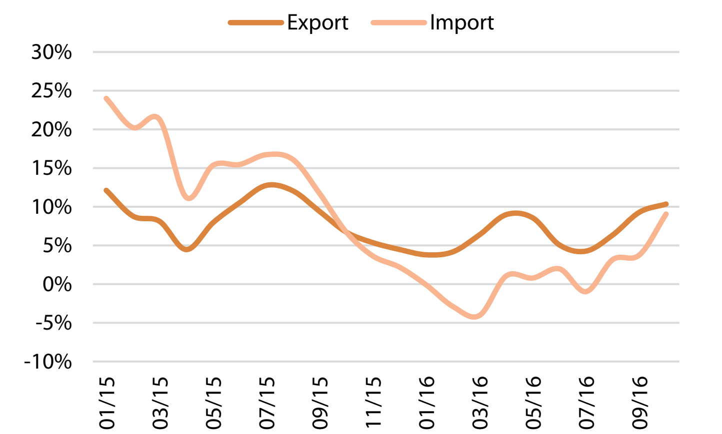
Source: GSO, RongViet Research

Manufacturing improved slightly



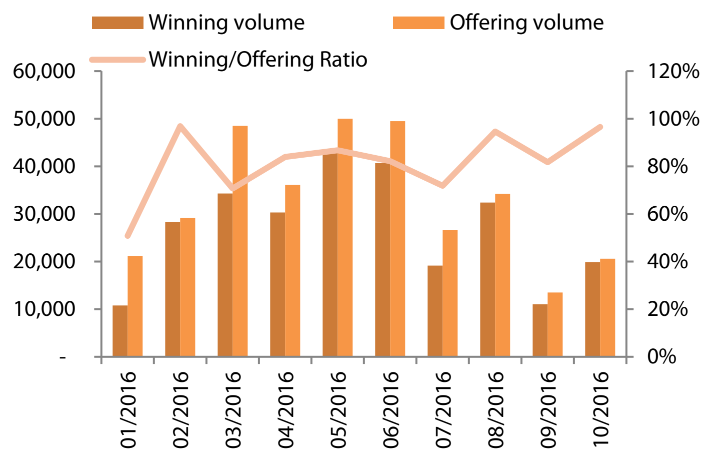
Source: GSO, RongViet Research

Trade growth also improved



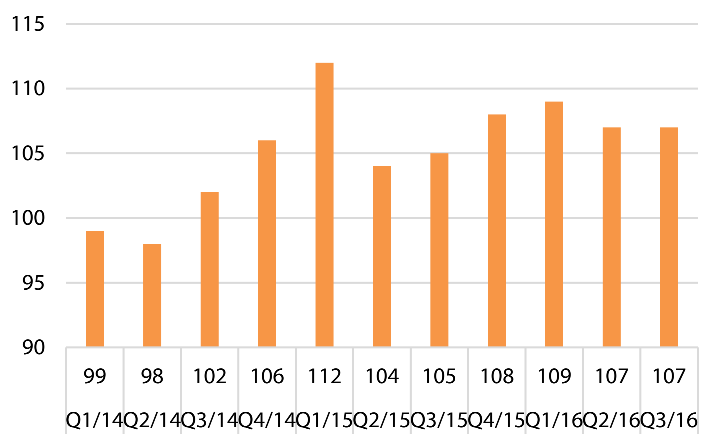
Source: GSO, RongViet Research

Winning /offering ratio was the highest in October



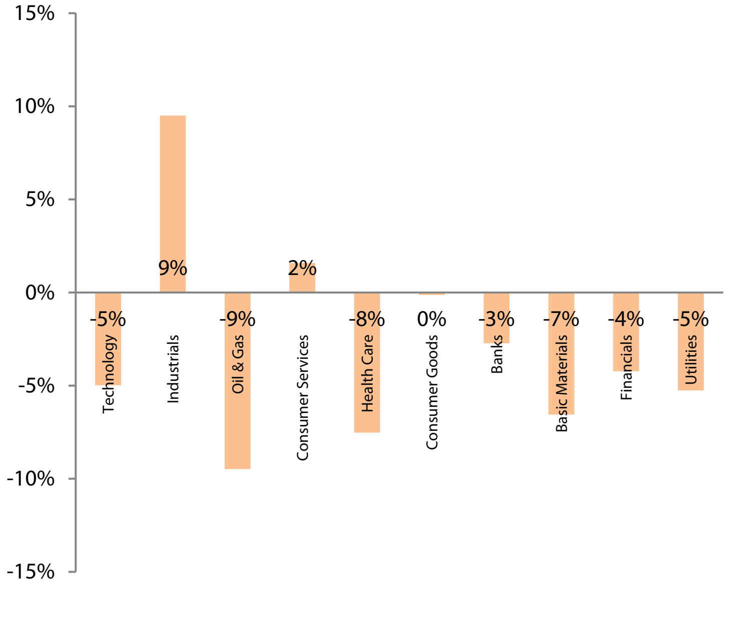
Source : VBMA, RongViet Research

Vietnamese consumer confidence unchanged



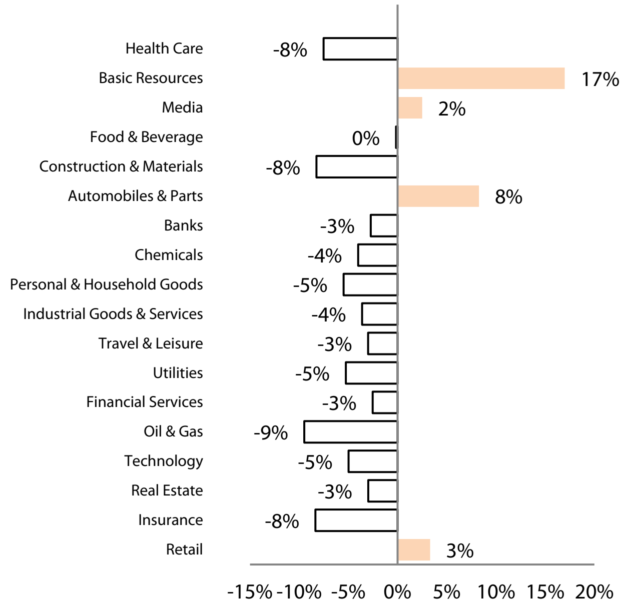
Source: Nielsen, RongViet Research

Level 1 industry movement



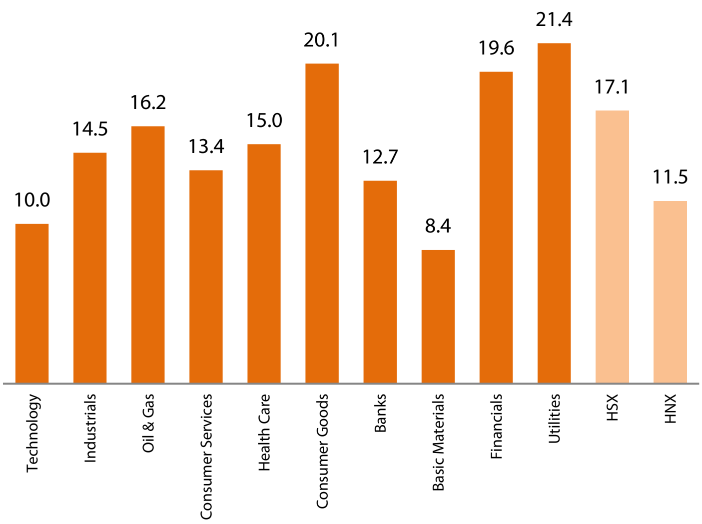
Source: RongViet Research

Level 2 industry movement



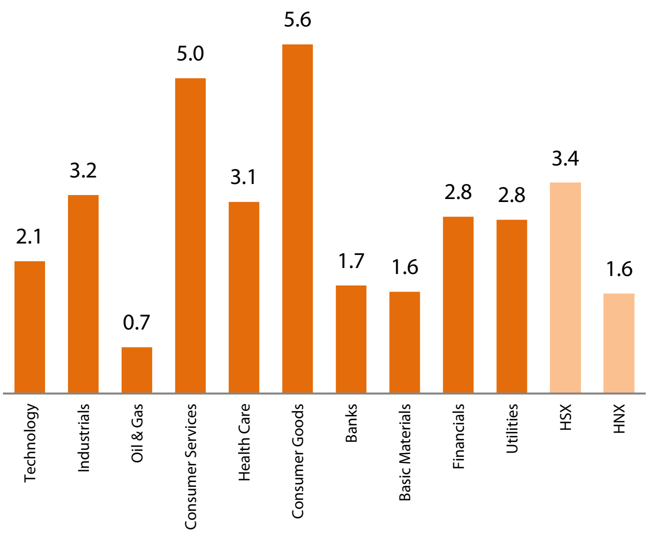
Source: RongViet Research

Industry PE comparison



Source: RongViet Research

Industry PB comparison



Source: RongViet Research

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RONG VIET SECURITIES

VIET DRAGON SECURITIES CORPORATION

Floor 1-2-3-4, Viet Dragon Tower,

141 Nguyen Du St. - Dist 1 – HCMC

Tel: (84 8) 6299 2006

Fax: (84 8) 6291 7986

Email: info@vdsc.com.vn

Website: www.vdsc.com.vn

Hanoi Branch

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

Tel: (84 4) 6288 2006

Fax: (84 4) 6288 2008

Can Tho Branch

95 Vo Van Tan – Ninh Kieu - Can Tho

Tel: (84 71) 381 7578

Fax: (84 71) 381 7579

Nha Trang Branch

50Bis Yersin St, Nha Trang

Tel: (84 58) 382 0006

Fax: (84 58) 382 0008