AUGUST

16

TUESDAY

6 PM CALL

Market today: Unequal movements of stocks

(Hieu Nguyen - Ext:1514)

Today unequal movements of blue-chips were reasons why VNIndex fluctuated in a narrow price channel. Market breadth was neutral as there were 129 gainers and 102 losers. Stocks of stone mining, rubber, steel and pharmaceutical sectors were today top picks. Most of these shares were small and mid-cap stocks, which led VNMID and VNSML indices to rally 0.88% and 0.84%. On the other hand, VNIndex, which is biased by large cap stocks, was slightly down 0.28% and closed under 660 pts at 658.11 pts. We also saw large put-through trades of 20 million shares of GMD. The put-through is possibly relating to SCIC's divestment.

Pharmaceutical stocks claimed the spotlight one more time today. Stocks that reached the foreign ownership limited (FOL) such as IMP, DHG and DMC went ceiling, while others such as DCL, LDP, DBT, DP3 also increased strongly. **The increase reflected the market reaction to the rumor that Ministry of Industry & Trade and Ministry of Finance are considering lifting FOL for pharmaceutical stocks.** Currently, Decree No.60/2015/ ND-CP on securities states that: for public companies operating in special lines of business (which include medicines distribution), the FOL is 49%. The regulation is based on the concern that foreign manufacturers can create exclusive distributors and agents to control the drug prices. As the drugs price has always been one of the hottest topic, we believe the FOL lifting can only be possible when a solution is founded for the above concern.

"Unequal movements of stocks"

The Index had another chance to test the 660 zone, yet failed again. However, the cash flow is showing an improvement compared to the beginning of this month as the turnover value of VNIndex in recent sessions has reached more than VND2,000 billion. Therefore, we believe that maintaining a reasonable proportion of stock and cash (say 50-50) at this time does not have too much risk, and this also allows investors the opportunity to react with market movement.

Analyst Pin-board

1H Real estate sector: Stronger earnings, falling liquidity

(Tai Nguyen – Ext: 1310)

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RONG VIET NEWS

COMPANY REPORTS	Issued Date	Recommend	Target Price
IMP - Growth engines from the EU - GMP factories	Agust 16th, 2016	Neutral – Long term	50,400
SRF - Making full use of industry growth	August 4th, 2016	Accumualte – Long term	32,100
ITD - Growth dynamics from development of transport infrastructure	July 28th, 2016	Buy - Intermediate	34,900
NCT – Strong air freight outlook is the key	July 20th, 2016	Accumualte – Long term	140,000
BCI - Gold in land	July 07th, 2016	Accumualte – Long term	28,400

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	09/08/2016	0.2% - 1%	0.5%-1.5%	27,413	27,341	0.26%
VF4	09/08/2016	0.2% - 1%	0%-1.5%	12,186	12,184	0.02%
VFA	05/08/2016	0.2% - 1%	0%-1.5%	6,667	6,775	-1.59%
VFB	05/08/2016	0.3% - 0.6%	0%-1%	13,161	13,162	-0.01%
ENF	05/08/2016	0% - 3%	0%	13,634	13,952	-2.28%
MBVF	28/07/2016	1%	0%-1%	11,564	11,632	-0.58%
MBBF	27/07/2016	0%-0.5%	0%-1%	13,021	12,982	0.30%
VF1	09/08/2016	0.2% - 1%	0.5%-1.5%	27,413	27,341	0.26%
VF4	09/08/2016	0.2% - 1%	0%-1.5%	12,186	12,184	0.02%

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