MAY

29

FRIDAY

## ADVISORY DIARY

*Regardless of stable macroeconomic conditions, Vietnam stock market experienced unstable waves. By delving into market movements in May, we noticed interesting effect of mentality factor on the market which was demonstrated by shocking bull and bear sessions. Now we think that the cash flow is reacting very actively to recovery of Indexes in the second half of May. However, correction which appeared in the final session of May shows the possibility of an upcoming sideways between 570 and 580. Next week, National Assembly will organize a meeting to discuss about the East Sea issues and this meeting may raise a cautious sentiment. With the above analysis, we recommend investors to reduce the proportion of shares that have increased sharply in May and to seek for opportunities in good fundamental ones that have accumulated recently while waiting for preliminary information about Q2/2015 earnings results of listed companies.*

**May market review – "End of May and time to play"**

"Sell in May" is the common statement in securities investment segment with the meaning of decreasing the proportion in the portfolio  when May comes in order to search for other investment opportunities due to the low return on stock market. According to the statistics from RongViet research, May was the increase month in majority of the stock market around the world (Table 1), except Hangseng Index in Chinese market (decreased by 13,36% in 5/2015). "Sell in May" phenomenon seemed to be true in Vietnam stock market during first half of May then investors experienced the recovery over the last two weeks. Sum up this month, VNIndex and HNIndex increased by 4,5% and 4% respectively compared to last month.

**Table 1: Growth in several market index around the world in 2015**

| | 1/2015 | 2/2015 | 3/2015 | 4/2015 | 5/2015 |
|---|---|---|---|---|---|
| **NASDAQ** | -2.28% | 6.08% | -0.93% | 1.43% | 1.65% |
| **S&P 500** | -1.92% | 5.72% | -1.01% | 1.83% | 1.67% |
| **HANG SENG** | 4.52% | 2.28% | 0.47% | 13.36% | -0.45% |
| **NIKKEI 250** | 0.07% | 7.46% | 3.83% | 3.75% | 5.53% |

*Sources: RongViet Research, Bloomberg*

*"End of May and time to play"*

In May 2015, volume in matching and put through trading reached 104.29 million stocks, increased by 19.52% over the last month. 28/5/2015 trading session witnessed a surge in trading value with approximately 2,315.50 billion dong, highest since the start of March. The indicators of difference between sell and buy orders also demonstrated the optimistic from investors' joining the market. Over the last two sessions, the figure achieved about 74 million shares/session, indicating the high demand even though they were in adjustment phase of the market. According to our observation, the most outstanding growth industries in May were almost the sectors that we rated highly potential this year such as Banking, Automobile, Textile and Technology ... More specific, Technology witnessed the strongest increase with + 21.27%, followed by Banking (+ 16.56%), Finance (+ 10.74%) and Insurance (+ 7.99%). Some stocks had the highest jump in May were DAG (+ 45.6%), TTP (+ 39.1%), VMD (+ 38.0%) and HHS (+ 36.1%). Thus, instead of the statement "Sell in May and go away", we supposed that Vietnam securities market suited to the statement "End of May and time to play" better.

**Kien Nguyen**

+ 84 8 6299 2006 | Ext: 326

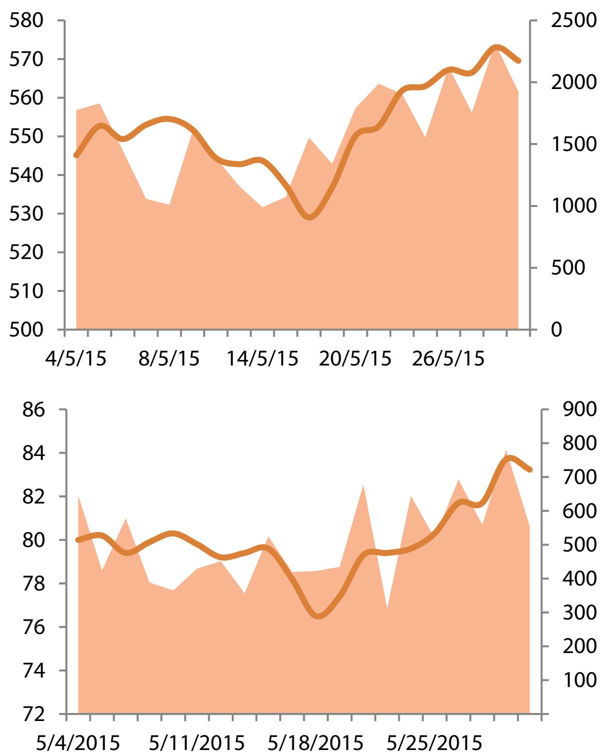
Kien.nt@vdsc.com.vn

**Table 2: Details about statistics in HSX and HNX**

| | HSX – VNIndex | | | HNX - HNIndex | | |
|---|---|---|---|---|---|---|
| | Growth (%) | Liquidity | Foreign investors net buy/sell(bil đ) | Growth (%) | Liquidity | Foreign investors net buy/sell(bil đ) |
| **T1/2015** | 5.8% | 111,467,198 | 98.26 | 4.0% | 53,386,937 | 80.90 |
| **T2/2015** | 3.9% | 81,076,563 | 1,072.67 | 1.4% | 36,879,128 | 91.95 |
| **T3/2015** | -6.7% | 101,038,854 | -916.42 | -3.2% | 40,755,672 | -28.36 |
| **T4/2015** | 4.4% | 87,259,027 | 1,644.02 | 2.8% | 40,569,510 | 219.16 |
| **T5/2015** | 4.5% | 104,290,176 | 1,142.41 | 4.0% | 46,148,730 | 250.10 |

*Sources: RongViet Research, Bloomberg*

**Graph 1: Trading value and index points from VNIndex and HNXIndex**




*Sources: RongViet Research, Bloomberg*

From early May until now, foreign investors were net buyers with total turnover of VND1,392.51 billion, a sharp decline (~-25.26%) compared to that of VND1,863.18 billion in April. However, net buying from foreign investors in 10th consecutive session is still a positive stimulation to promote trading mentality of investors. The shares that attracted buying from foreign investors in May were in banking (VCB, STB) or financial sector (SSI).

## WEEKLY TECHNICAL VIEW

**VN-Index**

VN-Index added 7.74 points (of 1,38%), closed at 569.56. Trading volume rose 19%, up to 625.7 million shares.

VN-Index kept going up from Monday to Thursday and corrected on Friday. Liquidity maintained at high level (above 100 million shares per day for the whole week). The money flow is still in the market. VN-Index went far away from its EMA(26). A short-term uptrend formed.

VN-Index reached its resistance at around 570 and then turned down slightly. After a long rally from 530 to 570, a correction is reasonable and new support is at around 555-560.

Indicators such as MACD and RSI remain bullish. The Stochastics looks overbought.

Next week, trader should watching for a move down to test the EMA(26) at around 560 or a move higher to reach the long-term average SMA(200).

**HNX-Index**

HNX-Index climbed up strongly, gained 3.68 points (or 4.63%), closed at 83.23. Trading volume increased 23%, up to 273 million shares.

HNX-Index broke above the EMA(26) impressively on rising volumes and then hesitated a little bit at its previous peak (83,5). A short correction is coming and then HNX-Index will have chance to challenge its SMA(200) at around 85.

Looking at technical indicators, both the MACD and the RSI turned bullish decisively. The MACD histogram kept rising while the RSI reached 60.

A short-term uptrend formed on HNX-Index. Traders consider buying on corrections.

***Recommendation:***

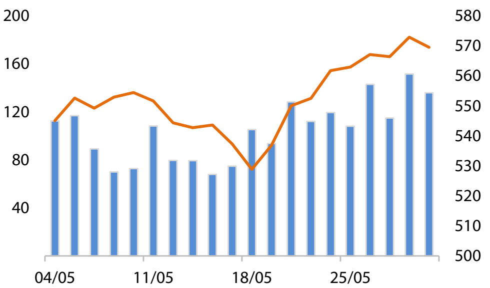
*Both VN-Index and HNX-Index kept going up strongly on high volumes. A short correction may be coming and that will be a good chance to buy.*

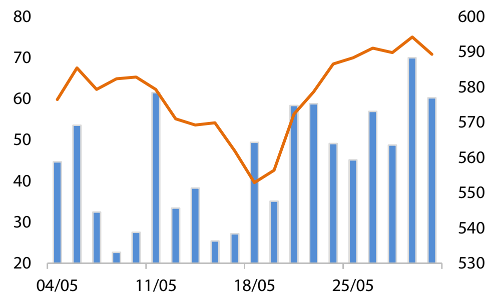
**Khai Tran**

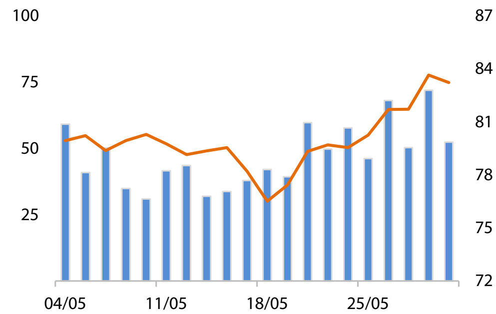
+84 8 6299 2006 | Ext: 278

khai.tq@vdsc.com.vn

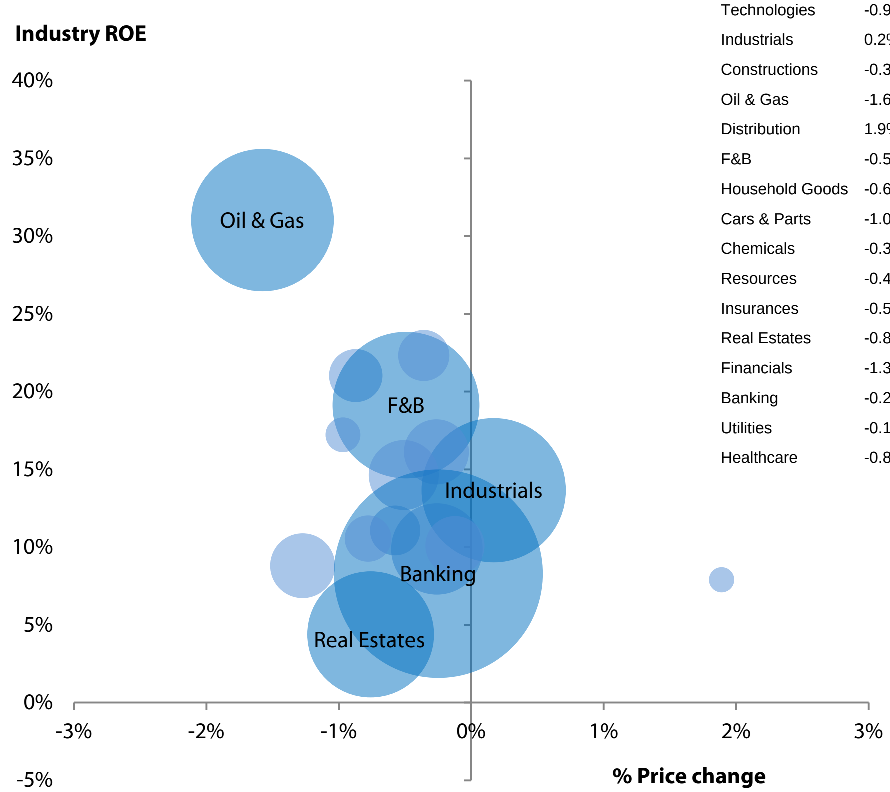
| VNINDEX | -0.60% | 569.56 | VN30 | -0.83% | 589.32 | HNXINDEX | -0.50% | 83.23 |
|---|---|---|---|---|---|---|---|---|



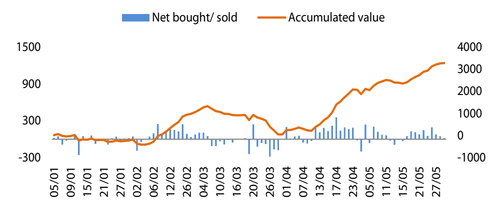




## Industry Movement

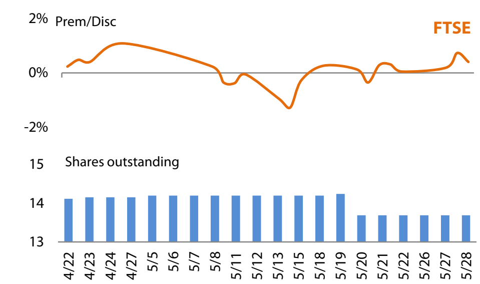


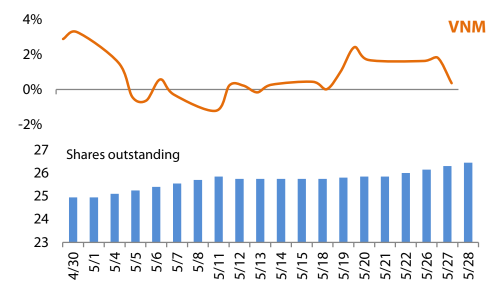

| Industry | % change |
|---|---|
| Technologies | -0.9% |
| Industrials | 0.2% |
| Constructions | -0.3% |
| Oil & Gas | -1.6% |
| Distribution | 1.9% |
| F&B | -0.5% |
| Household Goods | -0.6% |
| Cars & Parts | -1.0% |
| Chemicals | -0.3% |
| Resources | -0.4% |
| Insurances | -0.5% |
| Real Estates | -0.8% |
| Financials | -1.3% |
| Banking | -0.2% |
| Utilities | -0.1% |
| Healthcare | -0.8% |

## Foreign Investors Trading

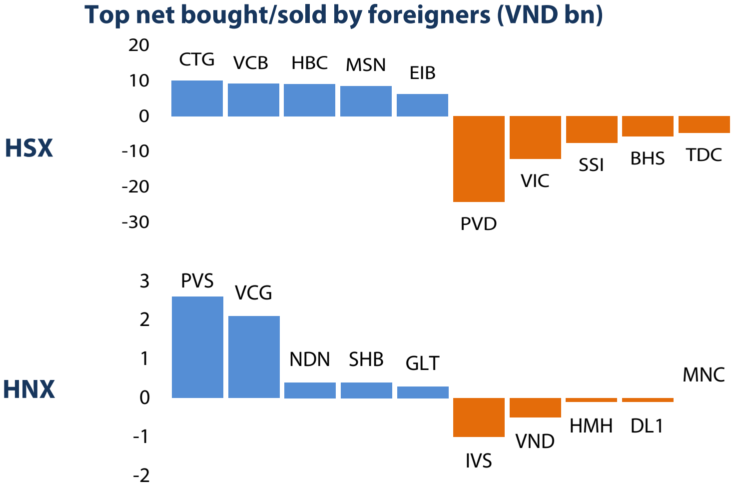



## ETF




## Top net bought/sold by foreigners (VND bn)



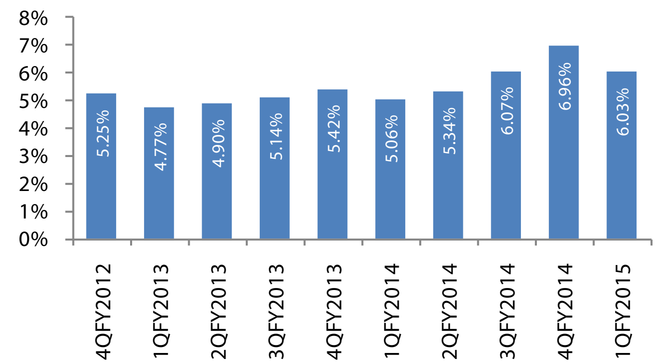

## Top Active

| Ticker | Price | Volume | % price change |
|---|---|---|---|
| FLC | 9.2 | 14.74 | -3.2% |
| OGC | 2.8 | 14.39 | 3.7% |
| CII | 19.8 | 4.91 | -2.0% |
| MBB | 13.8 | 3.53 | -0.7% |
| ASM | 8.3 | 3.46 | -1.2% |

| Ticker | Price | Volume | % price change |
|---|---|---|---|
| KLF | 7.5 | 6.16 | -2.6% |
| SCR | 7.1 | 4.83 | 0.0% |
| SHB | 8.0 | 4.12 | -2.4% |
| VCG | 13.8 | 2.79 | 2.2% |
| PVX | 4.0 | 1.94 | -2.4% |

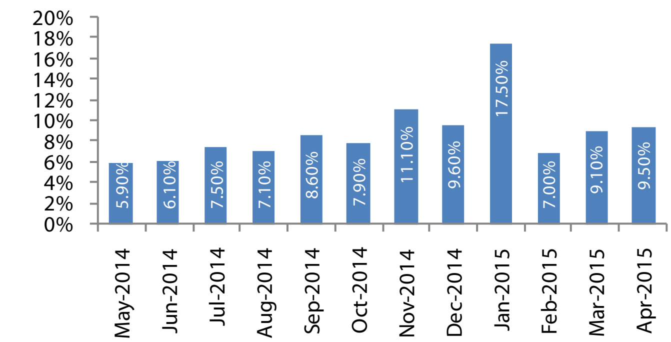
# MACRO WATCH

### Graph 1: GDP Growth



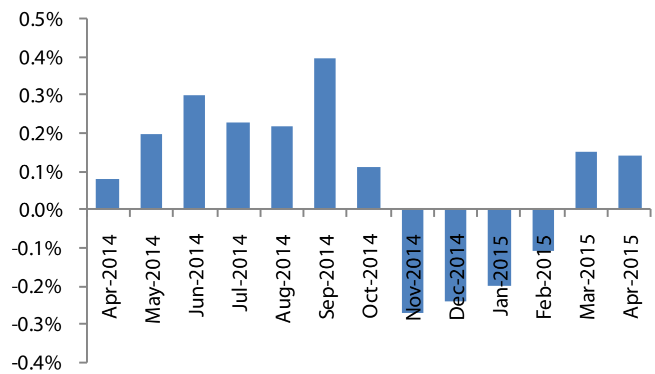

*Sources: GSO. Rongviet Securities database*
*(*) Comparision price in 1994*

### Graph 2: IIP



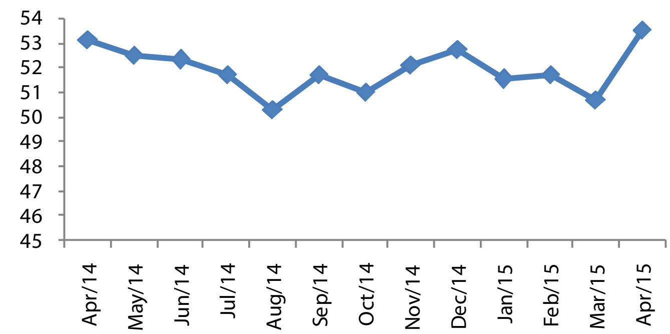

*Sources: GSO. Rongviet Securities database*

### Graph 3: Monthly CPI



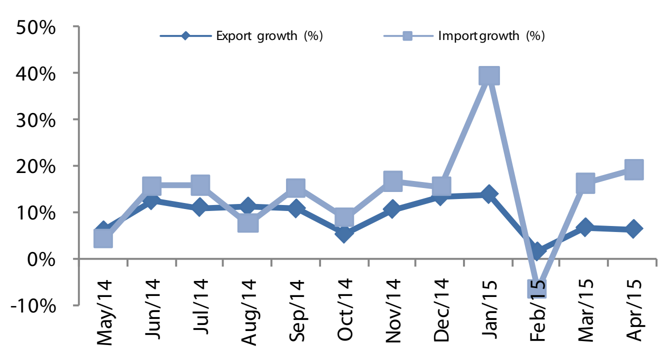

*Sources: GSO. Rongviet Securities database*

### Graph 4: HSBC - PMI



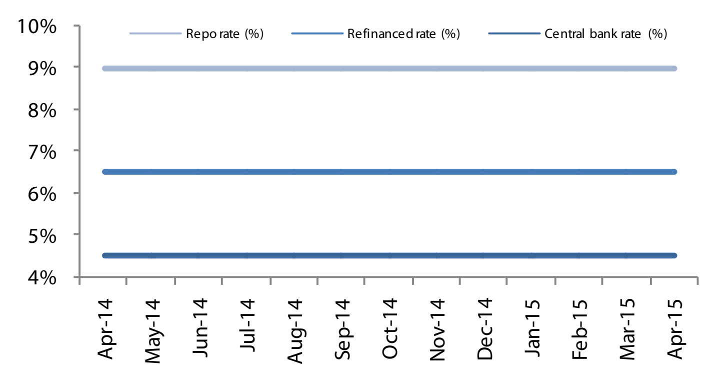

*Sources: GSO. Rongviet Securities database*

### 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 |
|---|---|---|---|
| GSP- Heading for a new growth period | May 11th, 2015 | Accumulate – Long term | 16,600 |
| STK - Running on all cylinders | May 7th, 2015 | | 30,800 |
| VPH - Emerging from its lowest | May 5th, 2015 | Buy – Intermediate term | 15,300 |
| DHC-Giao Long factory (phase 2) adds lights to the long-term plan | April 24th, 2015 | Buy – Intermediate term | 26,200 |
| PLC - A firm foothold | April 14th, 2015 | Accumulate – Intermediate term | 40,000 |

*Please find more information at* [*http://vdsc.com.vn/tabid/149/language/vi-VN/default.aspx*](http://vdsc.com.vn/tabid/149/language/vi-VN/default.aspx)

## 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 | 05/05/2015 | 0% - 0.75% | 0% - 2.5% | 11,672 | 11,683 | -0.09% |
| VEOF | 05/05/2015 | 0% - 0.75% | 0% - 2.5% | 9,238 | 9,456 | -2.31% |
| VF1 | 08/05/2015 | 0.2% - 1% | 0.5%-1.5% | 20,675 | 20,520 | 0.75% |
| VF4 | 06/05/2015 | 0.2% - 1% | 0%-1.5% | 8,978 | 9,098 | -1.38% |
| VFA | 04/05/2015 | 0.2% - 1% | 0%-1.5% | 7,154 | 7,168 | -0.20% |
| VFB | 08/05/2015 | 0.3% - 0.6% | 0%-1% | 12,126 | 12,133 | -0.05% |
| ENF | 04/05/2015 | 0% - 3% | 0% | 10,834 | 10,779 | 0.51% |
| MBVF | 04/05/2015 | 1% | 0%-1% | 10,449 | 10,439 | 0.10% |
| MBBF | 29/04/2015 | 0%-0.5% | 0%-1% | 12,075 | 12,064 | 0.09% |

## ANALYSTS

**Truc Doan – Head of Research**

+ 84 8 6299 2006 | Ext: 355

truc.dtt@vdsc.com.vn

**Hoang Nguyen**

+ 84 8 6299 2006 | Ext: 328

Hoang.nh@vdsc.com.vn

**Lam Nguyen**

+ 84 8 6299 2006 | Ext: 323

lam.ntp@vdsc.com.vn

**Tuan Huynh**

+ 84 8 6299 2006 | Ext: 326

Tuan.hm@vdsc.com.vn

**Kien Nguyen**

+ 84 8 6299 2006 | Ext: 326

Kien.nt@vdsc.com.vn

**Ha My Tran**

+ 84 8 6299 2006 | Ext: 319

my.tth@vdsc.com.vn

**Tai Nguyen**

+ 84 8 6299 2006 | Ext: 319

tai.ntp@vdsc.com.vn

**Diem My Tran**

+ 84 8 6299 2006 | Ext: 321

my.ttd@vdsc.com.vn

**Van Banh**

+ 84 8 6299 2006 | Ext: 324

Van.btt@vdsc.com.vn

**Trien Le**

+ 84 8 6299 2006 | Ext: 325

trien.lh@vdsc.com.vn

**Tam Bui**

+ 84 8 6299 2006 | Ext: 324

tam.bt@vdsc.com.vn

**Huong Pham**

+ 84 8 6299 2006 | Ext: 323

huong.pt@vdsc.com.vn

**Nam Huynh**

+ 84 8 6299 2006 | Ext: 321

Nam.hk@vdsc.com.vn

**HỘI SỞ TẠI TP.HCM**

Tầng 1-2-3-4, tòa nhà Viet Dragon
141 Nguyễn Du, P.Bến Thành, Q.1, TP.HCM

- T +84 8 6299 2006
- F +84 8 6291 7986
- E info@vdsc.com.vn
- W www.vdsc.com.vn

**CHI NHÁNH HÀ NỘI**

2C Thái Phiên, Q.Hai Bà Trưng, Hà Nội

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

**CHI NHÁNH NHA TRANG**

50 Bis Yersin, TP.Nha Trang, Khánh Hòa

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

**CHI NHÁNH CẦN THƠ**

08 Phan Đình Phùng, Q.Ninh Kiều, TP.Cần Thơ

- T +84 0710 381 7578
- F +84 0710 381 7789
- E info@vdsc.com.vn
- W www.vdsc.com.vn