SEPTEMBER

09

FRIDAY

"Hope awaits next week"

6 PM CALL

Market today: Hope awaits next week

*(**Hieu Nguyen** – Ext: 1514)*

After adjusted for dividend, price of VCB has rebounded strongly and dragged the market upward today. On the other hand, price of VNM continued to drop and eventually neutralized VCB effect. Accordingly, VNIndex only rose slightly by 0.12 % and closed at 666.88. For individual sectors, financial services firms, especially HMC, started to received interest from investors. Other sectors outperformed the market today was Real Estate and Insurance. Pharmaceutical stocks also rallied in the morning, before decreased a bit at the end session.

VNIndex withstood quite stably despite the bluechip VNM was strongly sold. Liquidity was better than the previous week with average traded volumes 137 million shares, equivalent to VND2,906 billion. Improving liquidity shall be a head start for next week. We also look forward to new trading mechanisms next week. We have commented some viewpoints on these new changes in yesterday daily news. It is supposed that changes will be tailwinds for our stock market. **However, investors should be careful when placing orders as we are very familiar with old methods; hence, it must take time to adapt new ones.**

Most of insurance stocks increased today, except PGI. PGI is the fifth largest insurance company, which currently holds 5.96% market share in term of gross premium. The company has come through tough time in 2012 – 2013 and its core business has been improving since then. As PGI is aiming to sustainable development, it keeps the insurance business at an ample growth rate while strictly controls loss and expenses ratios. Besides, PGI also has a very strong balance sheet: safe investment asset allocation with adequate technical reserves. Last but not least, PGI is the only large listed insurer which has yet found a foreign strategy partner. At this moment, PGI is pushing forward the process to look for and issue 20% its chartered capital for strategy shareholder. After the appearance of a foreign shareholder, the company will set up plan to increase its equity capital till 2018. The more capital it can raise; the higher competitive edges will be. Last but not least, PGI has always been paying cash dividend gradually with stable payout ratio of 10% of par value. Hence, PGI is believed to be suitable for long-term and risk-averse investors.

At the closed price of VND 20,700/share as of 07/09/2016, PGI is traded at P/E forward 12.94x and P/B forward 1.75x. The average P/E and P/B of listed insurers (excluding the extreme values of BVH) are 14.32x and 1.19x. We think the company is relatively traded at fair price compared to its peers. **Hence, we rate NEUTRAL for this stock. Interested investors can download the report in RongViet's Company Report section.**

Analyst Pin-board

REE - Opportunities open as earnings slide

*(**Tai Nguyen** – Ext: 1310)*

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

RONG VIET NEWS

COMPANY REPORTS	Issued Date	Recommend	Target Price
TDH – Small firm, large potential	August 25th, 2016	Buy – Long term	15,800
PTB - Expanding stone production segment	August 22nd, 2016	Accumulate - Intermediate	150,000
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

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	25/08/2016	0.2% - 1%	0.5%-1.5%	28,774	28,778	-0.01%
VF4	25/08/2016	0.2% - 1%	0%-1.5%	12,793	12,816	-0.18%
VFA	19/08/2016	0.2% - 1%	0%-1.5%	6,604	6,630	-0.39%
VFB	19/08/2016	0.3% - 0.6%	0%-1%	13,282	13,213	0.52%
ENF	19/08/2016	0% - 3%	0%	14,223	13,974	1.78%
MBVF	18/08/2016	1%	0%-1%	11,598	11,513	0.74%
MBBF	17/08/2016	0%-0.5%	0%-1%	13,072	13,054	0.14%
VF1	25/08/2016	0.2% - 1%	0.5%-1.5%	28,774	28,778	-0.01%
VF4	25/08/2016	0.2% - 1%	0%-1.5%	12,793	12,816	-0.18%

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