29

TUESDAY

- **Vietnam 9M2015 macro-economic landscape looks brighter in the region**
- **Market was impacted by outside factors, domestic investors came into a support**

Vietnam 9M2015 macro-economic landscape looks brighter in the region

As expectation from Rongviet Research in the last weekend report, optimistic macro news was announced today. Accordingly, GDP growth in Q3 continued to achieve 6.83% which significantly surpass our prospect. The factors contributing to the positive growth of GDP have not changed including improvement in industrial and consumer sectors. Remarkably, the negative effects on overall growth from trade deficit have reduced over quarters. In addition from such factors, we raised the concern about the deterioration of public investment which could impact on economic development in the upcoming years. Comparing to countries in the region, Vietnam is the spotlight with 4 positive aspects (GDP, consumption, investment and exports) while the only negative factor is Government expenditure. Considering general observation, we believe that the spotlight from macroeconomic could be the positive support to attract foreign investment from ETFs into Vietnam stock markets.

9M2015 Vietnam macro-economic landscape review

Table 1: Vietnam economic growth assessments by macro indicators (9M2015 vs 9M2014)

Factor	Growth (%)	Assessments
GDP	6.5%	GDP growth in the first 9 months reached the highest figure over the last 5 years; particularly, **industrial and service sectors** achieved the highest growth, equivalent to **9.57% and 6.17%** respectively. The contributions to the growth from 2 segments were **3.12% and 2.38%**, respectively.
Consumption	10.7%	Consumer segment continues to benefit from low crude oil and commodity prices and continuously maintains the positive growth since earlier this year. Accumulation 9M2015, if we exclude price factor, total retail sales increased by **9.1% y.o.y**.
Investment	9.1%	Private and foreign investment recorded a positive growth, equivalent to 9.2% and 10.6% y.o.y respectively. However, the decline in the public sector (+8% in 9M2015, 9M2014 increased by 10.7% and 9M2013 raised by 12.8%) raised the concern about the cut of public expenditure. This issue reflected from the stagnation of investment and development expenditure over the last 9 months.
Government expenditure	8%	Government expenditure growth is slowing down, especially on **development investment expenditure** (until September 15th 2015 was only **59.8%** of 2015 budget). Government budget deficit to date is **VND 136,000 billion**, equivalent to 60% of 2015 budget. However, we are concerned about the government treasury bond issue plan, a method used to compensate for the budget deficit, has been facing obstacles. The acceptance rate for August 2015 procurement was only **30%**. From the beginning of the year, successful issue rate was approx. 50% of the VND 250,000 billion of bonds planned to issue from early 2015.
Exports	9.6%	Even though being moderately affected by commodity and oil price, Vietnam's exports witnessed considerable growth rates compared to other countries within the region. In particular, growth rates of **Mobile phones and parts thereof**, **Textiles and garments**, **Computers, electrical products, spare-parts and components thereof** and **Foot-wears** were 34.3%, 10.6%, 52.8% and 18.4% respectively.

Source: RongViet Research

"Market was impacted by outside factors, domestic investors came into a support"

Diem My Tran

+ 84 8 6299 2006 | Ext: 1311

my.ttd@vdsc.com.vn

Table 2: Summary of macroeconomic indicators' growth trends for countries within the region (*based on latest three-month trend*)

	GDP	Consumption	Investment	Government Expenditure	Exports
China	-	-	-	++	-
Malaysia	-	+	-	--	+
Indonesia	+	+	-		+
Philippines	+		++	++	
Singapore	-	+	-		-
Thailand	-		-	++	-
Vietnam (*)	++	+	+	--	+

Source: Morgan Stanley, RongViet Research, (*) based on RongViet Research's evaluation

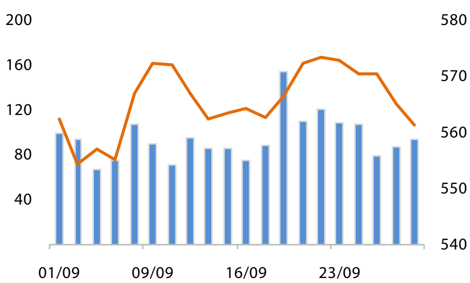
Note: ++: very optimistic, +: optimistic,   neutral, -: slightly pessimistic, --: pessimistic

Market was impacted by outside factors, domestic investors came into a support

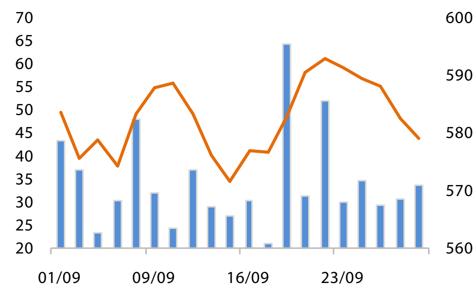
Regarding to positive news on macro-economic information, we suppose that it should support the cash flows from ETF portfolio to Vietnamese securities market. However, this flow has been recent affected by the information of FED hike interest rate in short-term. Thus, our market analyst believes that external information outweighs internal information.

In today's trading session, market movement was in compliance with the above idea. Moreover, some negative news also affected market sentiment in the beginning of trading session; for example, lowering commodity index (reaching the low in the 6-year-period, decreases in some global market indexes (Dow Jones (-1.92%), Nasdaq (-3.04%), S&P 500 (-2.55%), FTSE100 (-0.43%)) and Vietnam 5-year CDS reaching a peak of 299.45 points – the highest since November, 2013. VNindex lost 7 points in few minutes after openning. Subsequently, the market retained a similar trend, however, the increase in some tickers such as HPG, BVH, SSI and FPT lessened the decrease in the market. Furthermore, we realized that domestic demand still remained high in some stocks, especially in the banking sector. A 7% increase in liquidity as well as a lower net sell from foreign investors became the highlight spots when the market closed in red. According to our observation, these above signals will likely be supportive to the market in upcoming sessions.

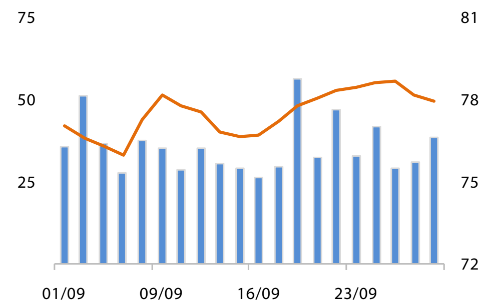
VNINDEX -0.65% **561.19**



VN30 -0.59% **578.98**

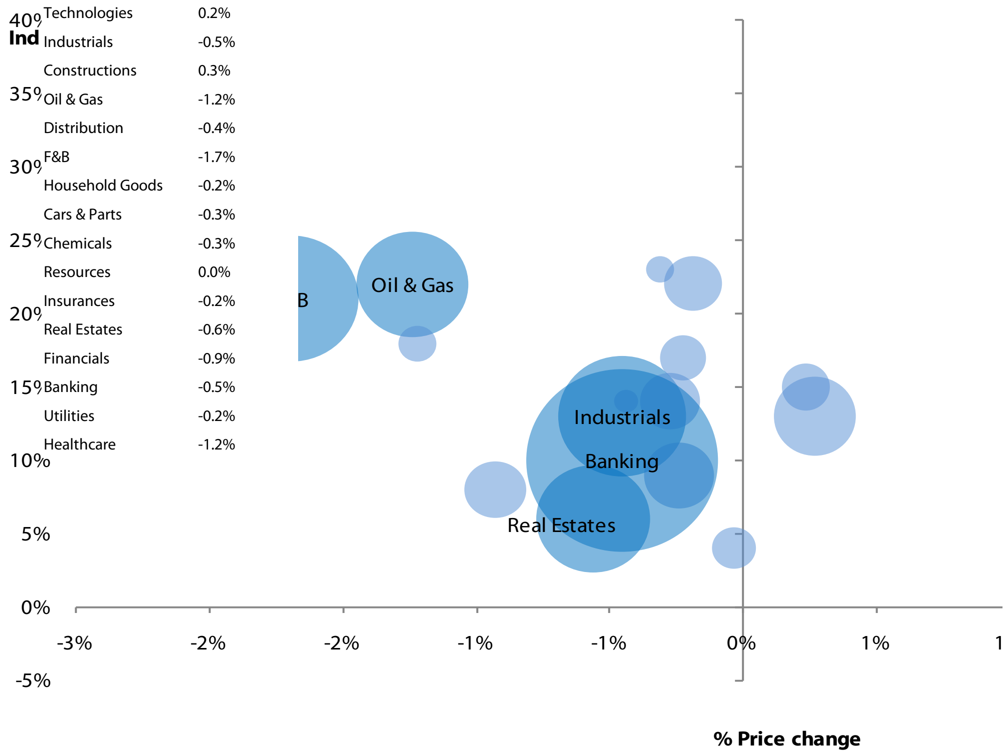


HNXINDEX -0.27% **77.94**

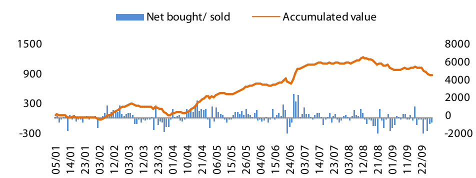


Industry Movement

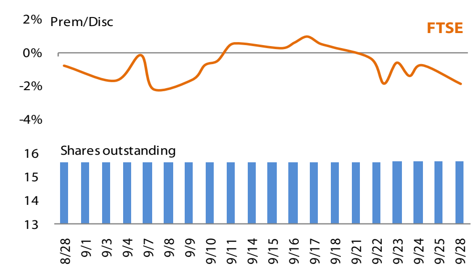
Industry	% change
Technologies	0.2%
Industrials	-0.5%
Constructions	0.3%
Oil & Gas	-1.2%
Distribution	-0.4%
F&B	-1.7%
Household Goods	-0.2%
Cars & Parts	-0.3%
Chemicals	-0.3%
Resources	0.0%
Insurances	-0.2%
Real Estates	-0.6%
Financials	-0.9%
Banking	-0.5%
Utilities	-0.2%
Healthcare	-1.2%

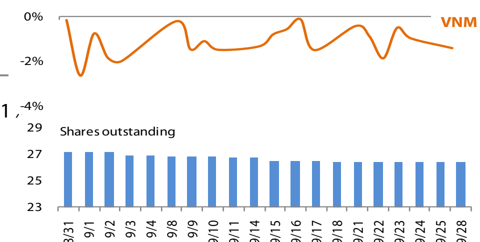


Foreign Investors Trading



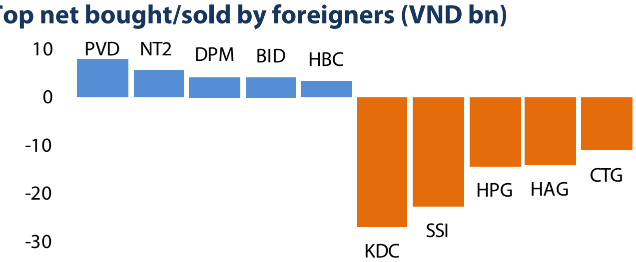
ETF



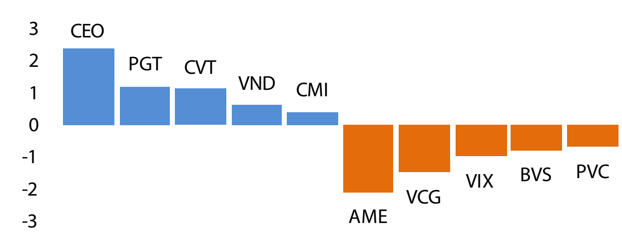


Top net bought/sold by foreigners (VND bn)

HSX



HNX



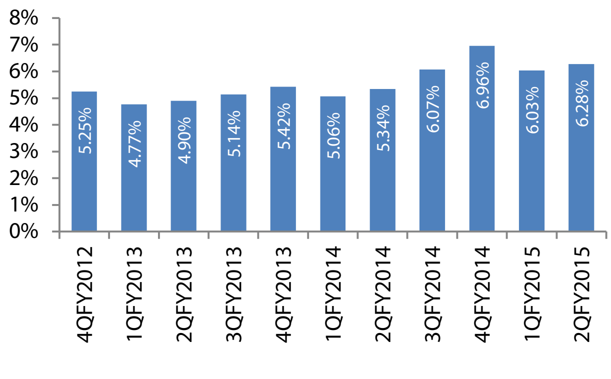
Top Active

Ticker	Price	Volume	% price change
FLC	6.5	0.06	0.0%
SSI	23.5	0.04	-1.3%
HQC	5.1	0.03	0.0%
DLG	6.5	0.03	-1.5%
CTG	19.7	0.03	-1.5%

Ticker	Price	Volume	% price change
VND	12.6	0.28	-1.6%
KLF	4.3	0.22	-2.3%
VCG	11.2	0.16	-0.9%
VIX	8.2	0.15	2.5%
CEO	16.9	0.15	0.0%

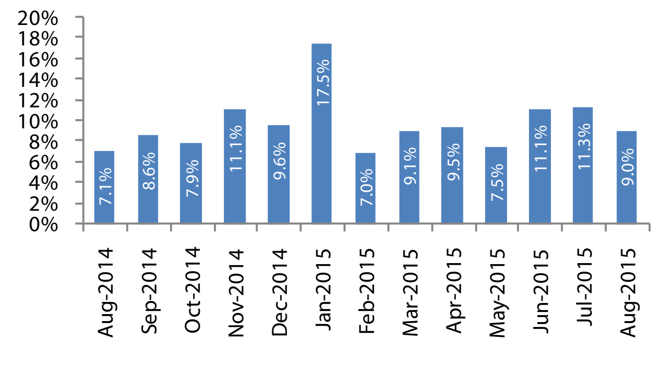
MACRO WATCH

Graph 1: GDP Growth



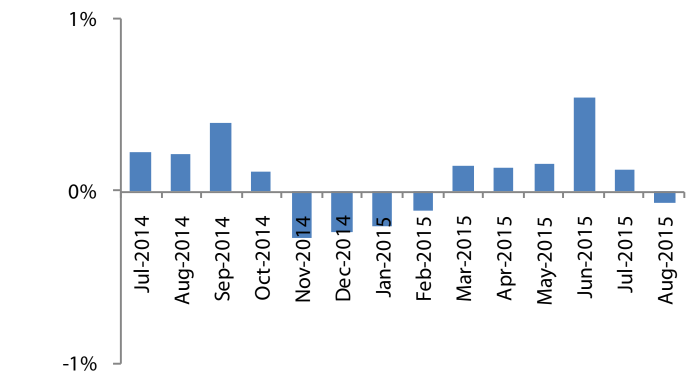
Sources: GSO. Rongviet Securities database
(*) Comparision price in 1994

Graph 2: IIP



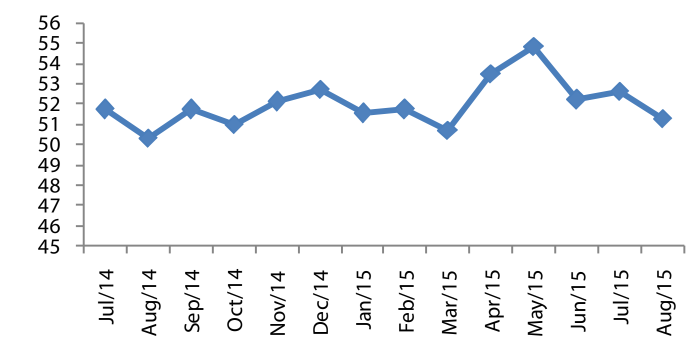
Sources: GSO. Rongviet Securities database

Graph 3: Monthly CPI



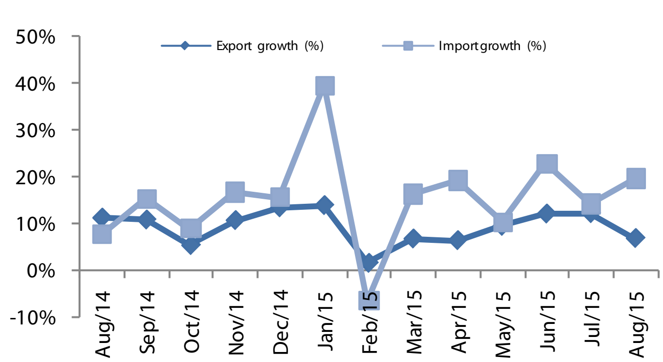
Sources: GSO. Rongviet Securities database

Graph 4: HSBC - PMI



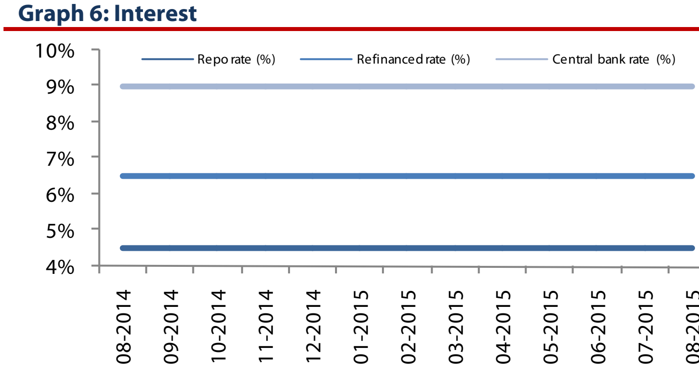
Sources: GSO. Rongviet Securities database

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
PXS - Invest to strengthen construction capacity	Sept, 4th 2015	Accumulate - Intermediate	17,000
SHP - Positive over long-term	Sept, 3rd 2015	Accumulate - Intermediate	20,800
PET - Tracking the progress of Thanh Da land plot transfer	Aug, 20th 2015	Stable	N/a
VNC - Embrace the new wave of international commerce	Aug, 14th 2015	Neutral – Long term	28,900
MAC – Bigger Propellers, further waters	Aug, 7th 2015	Buy – Long term	17,600

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
VFF	22/09/2015	0% - 0.75%	0% - 2.5%	11,900	11,880	0.17%
VEOF	22/09/2015	0% - 0.75%	0% - 2.5%	10,156	9,884	2.75%
VF1	25/09/2015	0.2% - 1%	0.5%-1.5%	22,966	22,939	0.12%
VF4	24/09/2015	0.2% - 1%	0%-1.5%	10,255	10,231	0.23%
VFA	25/09/2015	0.2% - 1%	0%-1.5%	7,217	7,040	2.52%
VFB	25/09/2015	0.3% - 0.6%	0%-1%	12,361	12,329	0.26%
ENF	18/09/2015	0% - 3%	0%	11,326	11,348	-0.19%
MBVF	17/09/2015	1%	0%-1%	10,391	10,408	-0.16%
MBBF	16/09/2015	0%-0.5%	0%-1%	12,336	12,331	0.04%

ANALYSTS

Truc Doan – Head of Research

+ 84 8 6299 2006 | Ext: 1308

truc.dtt@vdsc.com.vn

Ha My Tran

+ 84 8 6299 2006 | Ext: 1309

my.tth@vdsc.com.vn

Trien Le

+ 84 8 6299 2006 | Ext: 1317

trien.lh@vdsc.com.vn

Hoang Nguyen

+ 84 8 6299 2006 | Ext: 1319

Hoang.nh@vdsc.com.vn

Tai Nguyen

+ 84 8 6299 2006 | Ext: 1310

tai.ntp@vdsc.com.vn

Tam Bui

+ 84 8 6299 2006 | Ext: 1315

tam.bt@vdsc.com.vn

Lam Nguyen

+ 84 8 6299 2006 | Ext: 1313

lam.ntp@vdsc.com.vn

Diem My Tran

+ 84 8 6299 2006 | Ext: 1311

my.ttd@vdsc.com.vn

Huong Pham

+ 84 8 6299 2006 | Ext: 1314

huong.pt@vdsc.com.vn

Tuan Huynh

+ 84 8 6299 2006 | Ext: 1318

Tuan.hm@vdsc.com.vn

Van Banh

+ 84 8 6299 2006 | Ext: 1316

Van.btt@vdsc.com.vn

Trinh Nguyen

+ 84 8 6299 2006 | Ext: 1331

Trinh.nh@vdsc.com.vn

Kien Nguyen

+ 84 8 6299 2006 | Ext: 1320

Kien.nt@vdsc.com.vn

Thien Bui

+ 84 8 6299 2006 | Ext: 1321

Thien.bv@vdsc.com.vn

HEADQUARTER
Floor 1-2-3-4, Viet Dragon Tower
141 Nguyen Du Street, Dist.1, HCMC
T + 84 8 6299 2006
F + 84 8 6291 7896
E info@vdsc.com.vn
W www.vdsc.com.vn

HA NOI BRANCH
2C Thai Phien street, Hai BaTrung Dist., Ha Noi city
T + 84 4 6288 2006
F + 84 4 6288 2008
E info@vdsc.com.vn
W www.vdsc.com.vn

NHA TRANG BRANCH
50 Bis Yersin street, Nha Trang city, Khanh Hoa city
T + 84 058 3820 006
F + 84 058 3820 008
E info@vdsc.com.vn
W www.vdsc.com.vn

CAN THO BRANCH
08 Phan Đinh Phung street, Ninh Kieu Dist., Can Tho city
T + 84 0710 381 7578
F + 84 0710 381 7789
E info@vdsc.com.vn
W www.vdsc.com.vn