MAY

19

FRIDAY

6PM CALL

Market today: The VN-Index Reached a New Record High Level

(Quang Vo – Ext: 1517)

REE continued its gain experienced since the end of 2016, and rose by 7% during today's trading session. As we mentioned in our Strategy Report in May 2017, we believe that the electricity segment will largely contribute to REE's positive outlook. We believe that the hydropower segment will have positive results and that REE's consolidated PAT will not be subject to foreign exchange risks, as PPC paid its debt before the due date. We also observed that La Nina and El Nino supported the electricity demand and the unusual rain increased the electricity output of plants in the central, central highland and the southern regions in the first four months of 2017. Almost all hydropower plants recorded impressive operating results, which were above multi-year averages. Although there are concerns about the return of El Nino in the second half of 2017, we do not think the risk will be notable, as the rainy season started early. We think hydropower companies in REE's portfolio including CHP, SHP and VSH will have an optimistic outlook.

Vinafarm (DVN – UPCOM) increased to its ceiling price in its first session on UPCOM. The company was initially offered in June of 2016 and 18% of its shares were successfully bought at an average price of VND10,433/share. The remainder of the company is held by the Ministry of Public Health (65%) and Viet Phuong Investment JSC (17%). Although the parent company operates in the pharmaceutical sector, the majority of DVN's revenue and profits come from its subsidiaries. The parent company's revenue was only VND170 billion in the first 11 months of 2016, while its consolidated revenue and profit was VND6,122 billion and VND642 billion, respectively. DVN's EPS in 2016 was VND2,700.

"The VN-Index Reached a New Record High Level"

The market witnessed a total matching trading value above VND5,000 billion, which occurred for the 2nd time this week. However, today's session was different because capital strongly flew to all large, middle and small cap groups, especially the VN30. The strong inflows along with the return of large caps will be the motivation for the VN-Index to reach new record high levels.

Macro Update

Fitch revised the Outlook on Vietnam's Long-term Foreign and Local Currency Issuer Default Ratings (IDR) from "Stable" to "Positive" and affirmed the ratings at "BB-". The ratings reflect Vietnam's robust economic growth with the five-year average real GDP expansion of 5.9%, against the BB's medium of 3.4%. Fitch expects GDP growth to improve to 6.3% in 2017 and 6.4% in 2018, supported by FDI inflows into the manufacturing sector and increasing private consumption expenditure. Vietnam's BB-rating also reflects the high levels of government debt and fiscal deficit. Based on preliminary estimates of Fitch, Vietnam's government debt/GDP rose to 53.4% at the end of 2016, from 50.1% at the end of 2015; the fiscal deficit declined to 5.7% of GDP at the end of 2016, from 6.2% at the end of 2015 due to high budget inflows. Fitch expects the deficit to remain close to 5.7% of GDP over 2017-2018.

Analyst Pin-board

BMI - Q1/2017 Result Updates

(Thien Bui – Ext: 1321)

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

Recommendations:

ndexes increased strongly on rising volumes and broke above their previous peaks. Money flows focused on bank and securities stocks. Trader consider buying these financial stocks and take profit from real-estate stocks.

PORTFOLIO RECOMMENDED BY TECHNICAL ANALYSIS

Ticker	Price	Action	Buying date	Buying Price	Target Price 1	Target Price 2	Cut loss Price	Selling Date	Selling Price	Gain/ Loss	Duration
PGS	19.50	**Buy**	19/05/2017	19.50	22.00		18.50			0.00%	Intermediate
TNG	15.10	**Buy**	19/05/2017	15.10	18.00		14.00			0.00%	Intermediate

Notes:

- **Buying Price** is the Close Price at Buying date. **Selling Price** may be the Target Price, Cut loss Price or Closing Price at Selling date depending on specific cases.
- **Target Price 2** will be updated when the stock passes Target Price 1.
- In the ex-rights date, the prices will also be adjusted accordingly
- Duration: **Short-term** is less than 01 month; **Intermediate-term** is from 01 to 03 months; **Long-term** is more than 03 months.

RONG VIET NEWS

COMPANY REPORTS	Issued Date	Recommend	Target Price
REE – Higher Value due to the Reduction of ex rate risk	April 20th, 2017	Accumulate – Long term	32,800
TCM - Benefits from the Rebound in Textile Demand	April 4th, 2017	Accumulate – Long term	25,300
PVS - Positive Prospects from Energy Projects	April 3rd, 2017	Accumulate – Long term	21,900
HSG - Robust Core Business	March 22th, 2017	Neutral – Intermediate	51,700
MWG - Waiting for The Ability to Maintain Significant Growth	February 3rd, 2017	Sell - Intermediate	134,500

Please find more information at *http://www.vdsc.com.vn/en/companyReport.rv?categoryId=302*

FUND CERTIFICATES 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	08/05/2017	0.25% - 0.75%	0% - 2.5%	30,551	30,556	-0.02%
VF4	08/05/2017	0.25% - 0.75%	0% - 2.5%	13,673	13,696	-0.17%
VFA	16/03/2017	0.25% - 0.75%	0% - 1.5%	6,777	6,802	-0.37%
VFB	05/05/2017	0.25% - 0.75%	0% - 2.5%	14,329	14,302	0.19%
ENF	28/04/2017	0% - 3%	0%	15,506	15,303	1.33%
MBVF	27/04/2017	1%	0%-1%	12,657	12,705	-0.38%
MBBF	26/04/2017	0%-0.5%	0%-1%	13,670	13,656	0.10%

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