JUN

27

MONDAY

"Market extremely volatized"

6 PM CALL

Market today: Market extremely volatized

(Thien Bui - Ext:1321)

Market players are playing tug-of-war. Both indices opened deep in red; typically, VNIndex dropped more than 11 pts, which made investors think of another wash-out. After sluggish morning session, market turned lively in the afternoon when lots of large cap stocks recovered. VNIndex finally shocked investors when it closed in green. However, HNIndex still moved lower 0.09 pt. Foreign investors stabilized when they turned into net buyers. They net bought VND16 billion and VND52 billion in HSX and HNX.

Oil & gas stocks such as GAS and PVD were the main contributors to today gains. **During the day, oil gained 37 cents per barrel, which triggered capital inflows to oil & gas stocks**. Price did not plunge as investors evaluated Brexit would not significantly affect oil market supply & demand. Currently, UK only accounts for 2% of total global demand of this commodity. Oil price will be a major factor that affects the 2 indices, especially in short-term.

Currency exchange rate is getting the investor's attention. China yuan renminbi (CNY) recently hit a major drop to 6.6502 CNY/USD, the lowest compared to USD since 12/2012. On the other hand, the US dollar Index increased 1% because the recent Brexit's impact on other currency like GPB, and EUR. In Vietnam, reference exchange rate between VND and USD was announced at 21,866 which increased by VND21 from the end of last week. So far, this is the initial adjustment of State Central Bank. Even though this adjustment is pretty "hammering" from the beginning of the year, it is still stable and able to maintain the ~3% decrease compared to other currency which already adjusted 1-2%.

Weekends were the time when investors' tension has been relieved as they have enough of "what is Brexit" and "What it takes after Brexit" etc. As VNIndex was biased by only some few stocks at this moment arises a signal that most investors are very conservative. The 2 flash recoveries on Friday and Monday seem like not enough for investors to join in. ***Hence, we recommend market players to maintain high cash status, stay on the sidelines until market approach more balanced status.***

Analyst Pin-board

Sanest Dien Khanh IPO- Considerable growth potential owing to capacity expansion

(***Diem My Tran*** *- Ext: 1311)*

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ITD – Conservative plan for year 2016

(***Tuan Huynh*** *- Ext: 1318)*

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