05/04/2016

Investment Strategy April 2016

Buy on dip with selection

The stock market went full circle in March as VNIndex and HNIndex climbed strongly during the month but ended down 3% and 2% respectively. Trading activities were much more robust than the previous months, partly thanks to the return of foreign investors as net buyers. Last month, foreign bought a net VND727bn in both exchanges. In the listed markets, the rise of oil & gas and electricity stocks, most notably GAS, VCB, PPC, NT2 and BTP captured the spot light. However, it was the Upcom market that introduced a new taste to the market. Upcom stocks such as MSR, GEX, TOP, VGC, VEF, etc. gained strongly under the support of speculators before a withdrawal of liquidity near the end of the month sent these stock back down. Since stocks moved too fast and there was a strong divergence among sectors and securities, not many investors were to make large profits last month.

There was strong relation between March's stock market macroeconomic developments of Vietnam in the first quarter. While foreign exchange risk became less concerning, low oil prices caused oil-related revenue in the state budget to fall below expectations; tax revenue from State-run enterprises, especially Dung Quat Refinery was also negatively affected by oil price volatility. On the other hand, Vietnam's GDP growth only 5.45% in Q1 under the impact of lower oil exports and contraction in the contribution of the agriculture sector as a result of El Nino. On the positive side, three sectors including (1) electricity, (2) construction and (3) building materials exhibited a jump in production value in Q1. Our survey shows that companies in these sectors are generally more optimistic about their business in 2016. Conversely, most oil & gas, natural rubber and automobile companies target lower profits and revenue in 2016. Despite a strong rally in stock prices, electricity companies, including large thermals power and hydropower plants are quite conservative in their 2016 business plans.

Apart from these two factors, we believe that news on FOL expansion would be the topic of much interest in this AGM season. From the AGMs of REE, FPT, PNJ and VSC, we have learnt that developments in the lifting of foreign ownership constraint have been limited and that not every company is excited about this matter. However, we understand there is still a lot of interest from foreign investors for companies with substantial SCIC holdings such as BMP, DHG and especially VNM and expect the developments on the FOL expansion of these companies to have a positive impact on the market.

VNIndex is expected to move between 540 and 574 and HNIndex between 75 and 81 this month.

In the first two week of April, we believe it is necessary to reduce the allocation to stocks as the risk of retracement is still relatively high. Besides, strong fluctuations and unsustainable rebound in the prices of oil and other commodities make stocks in these two groups more suitable for investors with above-average risk tolerance. Similarly, we advise against participation in volatile Upcom stocks, at least until the market regains stability. Nonetheless, a strong decline of the market could become a great opportunity for long-term investors and those who have cash on hand.

For the time being, it is advised that investors pay more attention to sectors with positive Q1 business prospects such as construction, building materials, technology, insurance, etc. In addition, investor should should exert caution with oil & gas and electricity stocks, many of which have grown strongly in the last two weeks. In fact, a decrease in crude output promises a tough year for oil & gas companies despite the recent recovery of crude oil prices. Meanwhile, extreme droughts and water shortage should support thermal power companies in term of prices and output in the short term; however, EVN may tightens its grip and imposes disadvantageous terms in PPA contracts, making it difficult for these companies to achieve strong profit growth.

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For the whole month of April, trading in the stock market should remain positive, supported by (1) increasing participation of foreign investors, (2) updates on FOL extension by big companies and (3) maintained liquidity in both exchanges. However, while waiting for supportive information, the chance of adjustment or sideway situation could be relatively high. Seeing a high possibility that the market will recovery in later weeks of April, we believe that this is a good time to accumulate stocks with strong business outlook in Q1 and the year 2016.

- Transportation: PVT
- Seaports: HAH, VSC
- Construction: FCN, CTD
- IT: FPT, ELC
- Electricity: NT2, PPC, REE
- Real estate: BCI, KDH, NBB, LHG
- Special retailers: SVC
- Building materials: DNP, BMP, HT1, KSB, HPG, HSG
- Textile - garments: TCM, STK
- Oil & Gas: PGS, PVS, PLC
- Food & Beverages: VNM
- Other sectors: SKG, DHC, DRC, PTI, PAC, DPM

29 stocks of RongViet Research (analyzing, discussing with companies) and have analysis and specific evaluation in "Company report" or "Analyst pinboard" till now

Industries movement in March, 2016 and P/E, P/B of industries at the end of the month

WORLD ECONOMY: Slowdown

- Global economic growth is slowing down
- Major economies started to implement negative interest rate policy
- Global inflation could return in short-run

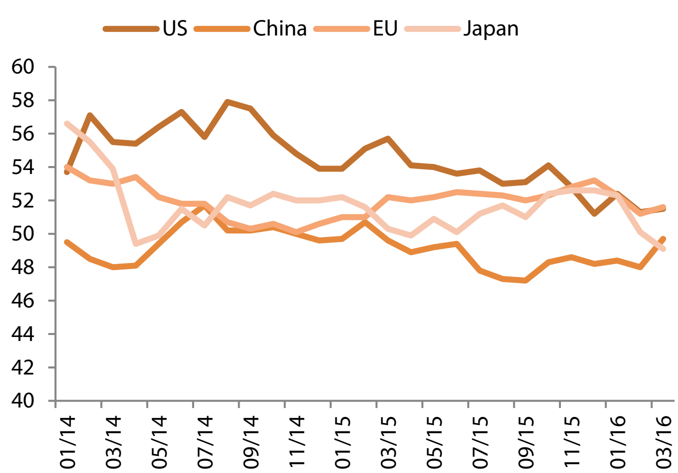
Global economic growth is slowing down

According to forecasts from FocusEconomics Consensus, global economy could slightly grow at 2.4% compared to 2.3% in Q4/2015 and 2.6% in Q3/2015. The slowdown was resulted from:

(1) Industrial production of major economies showed signs of stagnation: In Q1/2016, PMI survey results demonstrated that US and EU PMI continues the expansion trend but at lower rates than the same period. Q1/2016 PMI average of US and EU achieved 51.4 points and 53.4 points respectively (compared to 52.7 points and 52.8 points in Q4/2015)/ Meanwhile, Japan PMI reversed to contraction in Q3/2016 (~49.1 points). Regarding of China, the contraction in growth rate in industrial activities persists. However, the economy continued to demonstrate positive signs when 35/41 industries are expected to record positive growth rates over the same period and global economic growth achieved 5.4% yoy.

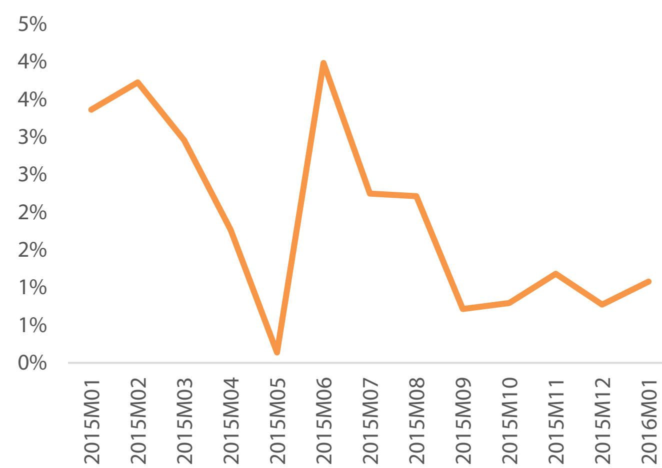
(2) Demand for goods weakens leading to the slowdown in global trade: According to the statistics from CPB Netherlands Bureau for Economic Policy Analysis, global trade activities have slow downed since late 2015. In Q1/2016, exchange of goods only improved by 1.1%, compared to 3.4% of the same period.

Figure 1: PMI of several major economies



Sources: Markit, RongViet Research

Figure 2: Global exchange of goods



Sources: CPB.nl, RongViet Research

As mentioned in 2016 Strategy Report, the decline in China economic growth, resulted from the economic restructuring (shift from exports to services and consumption) negatively impacted on the global economy, especially in Latin America and Asia – Pacific. However, the recent recovery signs if China, especially in industrial production and consumption could ease the concerns about the slowdown.

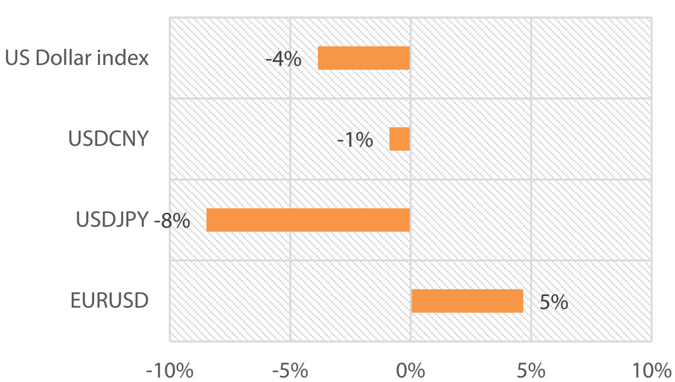
Major economies started to implement negative interest rate policy

Over the first 3 months, several major State Banks continues to implement expansionary policies through quantitative packages or cutting policy rates, in particular:

- In 01/2016, Bank of Japan (BOJ) announced the implementation of negative interest rate and to be official on 16/02/2016.
- On 10/03/2016, ECB lowered the refinancing rate by 5bps to 0% and funded the asset purchase program by an additional of EUR 20 billion, to EUR 80 billion per month.
- China maintained the expansionary policy through money bumping into repurchase agreements (repo). In addition, PBOC also decreased the required reserved ratio by 50 bps, equivalent to additional CNY 600 billion into the economy.

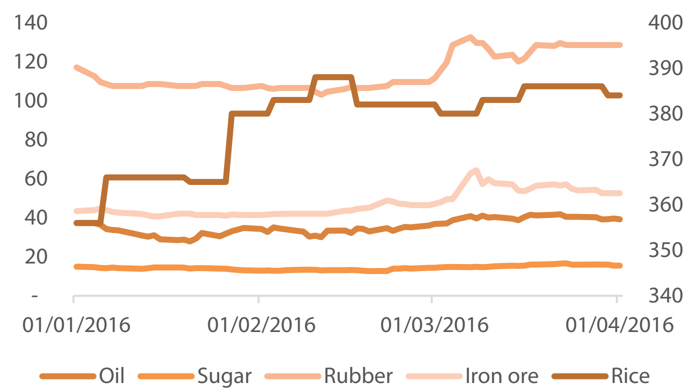
We especially pay attention to the negative rate policy to stimulate the economy from Central Banks which have significant impacts on critical currencies such as ECB and BOJ. Specifically, FED has been conservative in rate hike schedule. Based on recent forecasts, FED expects to hike rate twice (~0.25% each time). In Q1/2016, exchange rate pairs show mixed situation. In which, US Dollar index dropped by 4.1%, as a result, EUR and JPY significantly appreciated compared to late 2015 (at 7.5% and 5% to USD respectively).

Figure 3: Exchange rate movement



Sources: Bloomberg, RongViet Research

Figure 4: Commodity prices



Sources: Bloomberg, RongViet Research

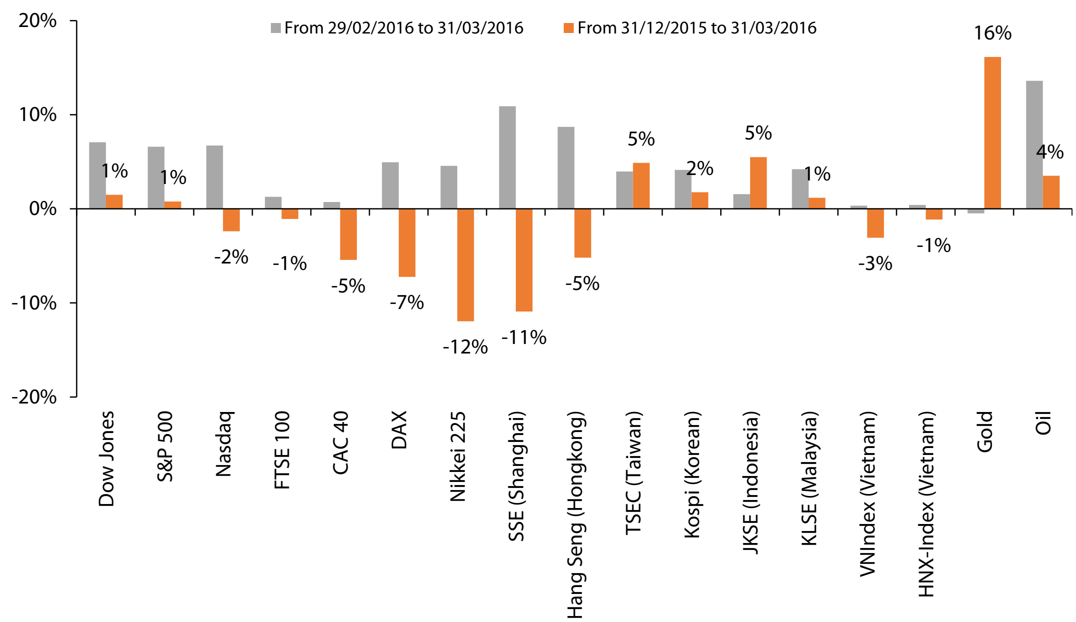
Global inflation could return in short-run

In 2016 Strategy Report "Commodities: Supply cut could bring prices to balance", we believe that demand-supply balance could be the critical factors for commodity prices this year. Over the first half of 2016, El Nino phenomenon directly affects the inflation indices of several economies while rice and crude prices recover. According to Bloomberg, price indices of rice, crude, sugar, rubber, iron ore… slightly improved compared to late 2015. Specifically, iron ore recorded a highest growth rate with over 20%. Others have average rates of 5 – 10%.

However, under 2016 trend, we believe that El Nino effects on commodity prices could only last in short-term and concentrate on agricultural products. Meanwhile, regarding of products related to energy and metal, oversupply and large inventory are the factors dictating the price trends. Therefore, under the low global demand, the probability of commodity prices to surge this year will be low.

WORLD STOCK MARKETS: Less gain, more volatility

Figure 5: World stock markets in 1Q/2016



Sources: Bloomberg, RongViet Research

Volatility in late 2015 continued in 1Q/2016. Most markets plunged deeply in the first half of this first quarter then recovered till the end of March.

"January effect" did not show up when stock markets around the world lost their grounds as investors were anxious about slow-down of China economy which might bring up a contagion effect. Indeed, during the first 4 days in 2016, stock market in China dropped sharply; hence, triggered the "circuit-breaker". Besides, oil prices slipped 6.8% in January contributing the declines of global stock markets. The MSCI ACWI lost 6.4% in the first month of 2016.

Not until mid of Feb 2016 that world stock markets recovered thanks to the improvement of oil price. MSCI ACWI accordingly regained 6.4% to cover all previous loss. Not all but few markets were benefit from good news. DJI gained 1.5%, S&P500 Index earned 0.8% while NASDAQ Index lost 2.4%. Some noticeable indices in Asia region such as TSEC, JKSE, Kospi etc. also recorded positive growth in 1Q/2016. On the other hand, Shanghai Composite Index and Nikkie 225 index were the biggest decliners with the downsize of 11% and 12% respectively. The Europe markets witnessed more stimulus policy from ECB as it confirmed to cut the deposit rate by 10 basis points to a historic low of -0.4% and expanded the QE from EUR60 billion to EUR80 billion per month. The policy encouraged markets to rally in March; however, it was not enough for FTSE 100, CAC 40 and DAX as they ended up the quarter with 1%, 5% and 7% lost.

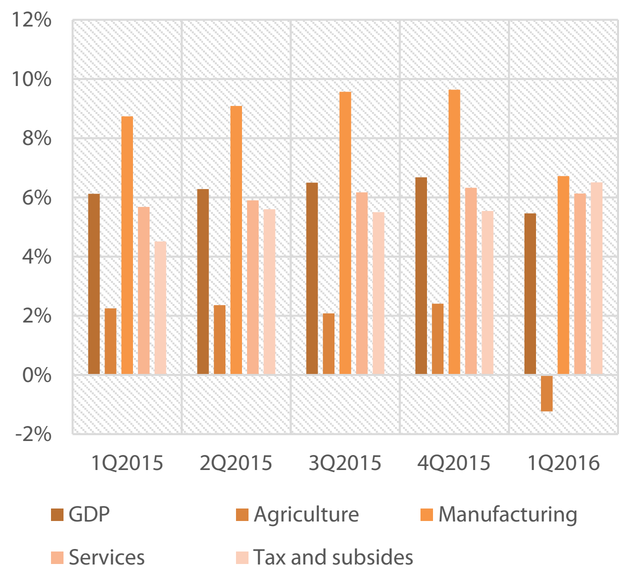
On contrary to oil price and stock market indices, gold price just experienced noticeable increase. The data from Bloomberg and GoldMoney pointed that in most currencies, gold had been trending up strongly in 1Q/2016 with an average upside of 18%. The rallied began in the beginning of 2014 after it troughed in late 2013. Moreover, since 1971, the uptrend has tended to last about 4.5 years on average. Therefore, it is likely that the trend will continue for 2 more years and push the gold price higher.

Stock markets seem to be more stable in the second half of this first quarter but risks remain ahead. First of all, it is the possibility of FED hiking rates for the second time in upcoming June. Besides, "Brexit" (UK leaving the EU) is on discussion and the vote in June will place the final decision. Brexit could significantly affect currency markets (two major currencies EUR and GBP) which then affect UK and EU economy in specific and global economy in general. Last but not least, political geography risk should be a big concern for investors. The picture of markets in 1Q/2016 might be a reflection of what-it-might-take for the rest of 2016, which could be describe as a tough year for global investors.

VIETNAM MACRO Q1/2016: Unfavourable start

Pessimictic economic growth earlier this year

Figure 6: GDP growth rate by quarters



Sources: GSO, RongViet Research

In Q1/2016, economic growth dramatically slowed down, achieved 5.46% compared to 6.12% of Q1/2015. There are two main reasons:

- Manufacturing and processing industry grew slowly, reached 7.9% over the first quarter of 2016.

- Deterioration in agriculture and mining industries are 2.7% yoy and 1.2% respectively.

Comment:

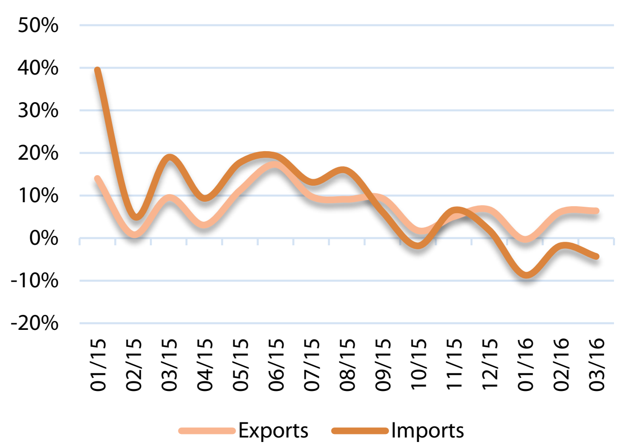
Overall, we were not too surprised about the decline in mining industry (mainly from the decrease in oil price) and the slowdown in manufacturing and processing industries. However, deterioration in agriculture industry is a rare phenomenon. Despite economic crisis, Vietnam agriculture industry could usually maintain positive growth rates.

Therefore, we can imply that climate change or El nino has negatively affected agricultural production earlier 2016. Specifically, production value decreased by 6% yoy, in which, rice cultivation area declined less than vegetable and short-term crops.

If excluding two negative factors in GDP (agriculture & mining), economic growth rate is estimated at 7%.

Weak trade growth due to gloom global ecomocic growth

Figure 7: Import – Export growth



Sources: Markit, GSO, RongViet Research

- Domestic sector: commercial turnover of two-way trading continues to deteriorate, especially in exports. In Q1, exports declines by 4.7%, imports decreased by 3.6%. Accumulated trade deficit achieved USD 3.8 billion.

- FDI sector: accounting for 70% of total trading turnover, exports from FDI sector showed signs of stagnation, equivalent to the growth rate of 7.9% and -6.3% in exports and imports respectively.

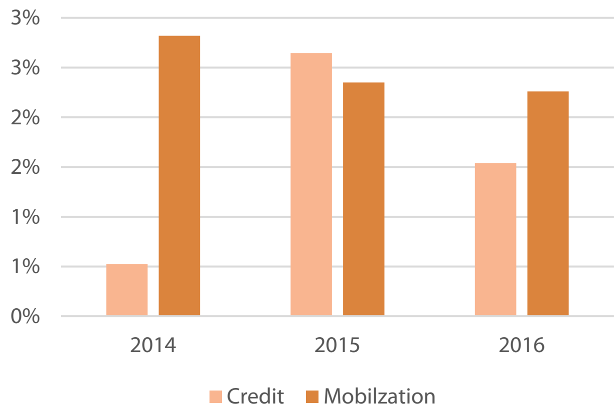
Comment:

Decrease in import demand made the trade balance slightly enter the surplus situation over the Q1/2016. Specifically, FDI sector recorded doubled surplus volume over the same period.

Commercial activities weakened due to the impacts from global economy, leading to the negative effects on Vietnam commerce over the next quarters. As a result, this indirectly affects domestic industrial activities.

Interest rate increased

Figure 8: M2 and credit growth



Sources: SBV, RongViet Research

- Deposit and lending rates lightly improved with 0.2 – 0.5% and 0.02 – 0.5% respectively compared to earlier 2016.

- Deposit growth in Q1/2016 is estimated to reach 2.26%, higher than 0.94% of the same period. Credit growth also recorded slight improvement with 1.54%.

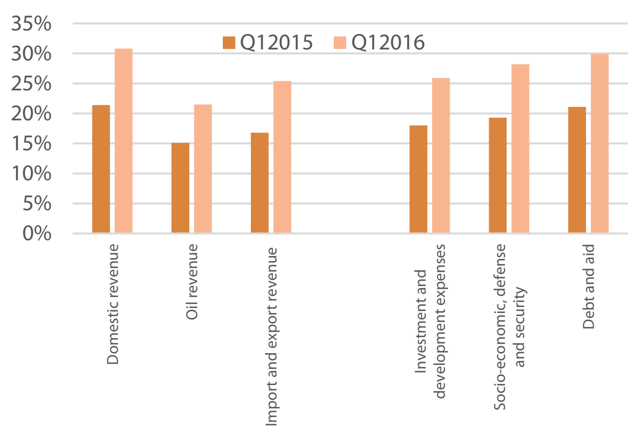
Comment:

According to National Financial Supervisory Commission, interest rate for Q1/2016 slightly fluctuated at the term of 6-12 months, significantly increased at the term of over 12 months. Therefore, interest rate is bottoming up and creating new level.

The movements in interest rate was mentioned at the previous reports. Among the factors affecting interest rates in Q1/2016, there is impact from Draft of Circular 36.

Severe budget deficit in Q1/2016

Figure 9: Budget Revenue and Expenditure (% Plan)



Sources: GSO, RongViet Research

Budget situation overall has not been positive over the first quarter, specifically, with revenue from crude oil and Im-ex due to low oil prices and weak trading activities.

Remarkably, revenue from foreign sectors significantly declined (-42% yoy), leading to the low level of expenses from investment and development compared to estimates (~16%). This figure decreased by 9% yoy.

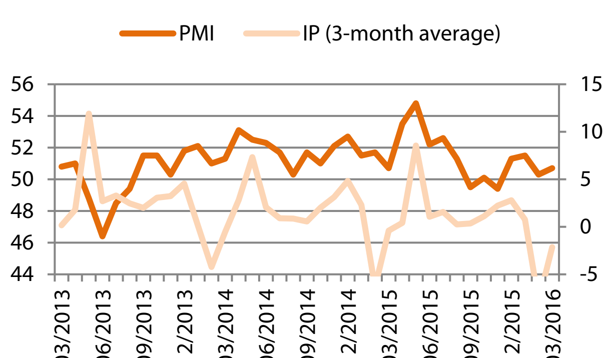
Comment:

Under current budget situation, we reserve the perspective about chance of limiting capability of fiscal policies to support growth.

In addition, concentrating in disaster remedial could slowdowns construction projects (transportation infrastructure) compared to the same period.

Industrial production has been stable with the growth rates being lower than the same period

Figure 10: PMI and IP



Sources: Markit, GSO, RongViet Research

Industrial production over the first 3 months continued the expansion, however, the pace is slower than last year.

- 3-month PMI average achieved 50.83 points, slightly decreased from 51.3 points over the same period.

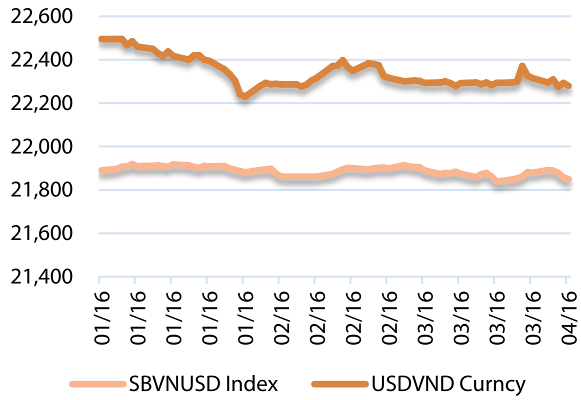
- Growth of industrial production index for Q1/2016 was slower than the previous period, recorded 6.3% (2015 recorded +9.3% yoy).

Comment: PMI has been relatively stable, however, we believe that this indicator could not surge as Q2/2015.

Growth in imports of FDI sector significantly deteriorated this year and indirectly affected industrial production over the first 3 months and in the future.

Exchange rate was stable in the first quarter

Figure 11: Exchange rate movement in Q12016



Sources: Bloomberg, RongViet Research

In Q1/2016, USDVND averaged VND 22,382, dropped by 0.5% compared to late 2015. The alteration in exchange rate policy helps to closely reflect the demand-supply aspects of the market rather than sentimental factors.

Foreign exchange reserve has the conditions to improve in Q1/2016, increased to USD 34-35 billion and equivalent to 2.6 months of imports.

Comment:

Stable exchange rate over the first 3 months was resulted from the favorable movements of domestic and foreign markets.

- Domestic factors: trade balance was slightly in surplus situation along with disbursement of FDI created abundant supply of foreign currencies.

- Foreign factors: USD depreciated by 4.1% in Q1/2016 and CNY appreciated comparing with USD eased the pressure on operating policies.

MACRO OUTLOOK: Lacking of growth drivers

- El Nino and Vietnam economic growth
- Manufacturing outlook
- Monetary market outlook: stable exchange – higher interest rate concern

El Nino and Vietnam economic growth

Effects on GDP, inflation and export

Late 2015, there are several announced warnings about the impacts of El Nino on agriculture. However, the actual situation has been worse than expectation and it has been demonstrated by negative statistics of Q1/2016. The Central Highlands has 160,000 hectares of crops with water shortage due to severe drought and there are 160,000 hectares of crops in Mekong Delta being damaged by salinization. According to National Centre for Hydro – Meteorological Forecasting (NCHMF), drought and salinization could prolong to the end of 6/2016. However, after El Nino weakens, the probability of La Nina phenomenon to appear late 2016 is relatively high, up to 50 – 60%.

Harsh weather condition has affected Vietnam economy in many aspects. As mentioned above, agriculture sector experienced negative growth rate for the first time in years. Agriculture accounts for 10% of total GDP, 44.3% of national workforce and 8% of export structure. With unfavorable weather condition until the end of 02/2016, RongViet Research estimates national rice output declined by 1.5 million tons, equivalent to 3.3% of total output in 2015. Based on the scenario that agricultural deterioration is 1% in 2016, GDP growth rate could only achieve 5.8 – 6%.

Regarding of rice production, output declined but the increase in prices could compensate for that issue thanks to the higher demand from countries affected by El Nino. Therefore, we believe that El Nino will positively impact on agriculture production value of Vietnam. Over the first 3 months, rice and vegetable exports improved significantly by 26% yoy and 71% yoy respectively. In contrast, export value of agricultural perennial crops such as tea, coffee, pepper, cashew… experienced no growth.

In term of economic consumption, because agricultural sector account for high proportion in work force, deterioration in agricultural sector could affect overall consumption. We believe that increases in food prices will decline the savings, as a result, impacts on the growth rates of non-essential products.

In addition, regarding of recent concerns about the increase in inflation, we believe that with current oil price level (~40USD/barrel), the probability of high inflation will be low. At this moment, core inflation has been relatively stable at 2%. Oil and rice prices increased by 5% and 8% respectively compared to late 2015. Under new CPI calculation method, food proportion was adjusted from 8.2% to 4.5%. In contrast, transportation sector improved from 8.9% to 9.45. Price adjustments in petroleum products and increase trend of several agricultural and fishery products could affect inflation rate in 04/2016. However, observing the trend, we believe inflation is still under control.

Government supports

Under budget constraint, disasters due to weather condition still need supports from the Government. In 3/2016, the Ministry of Agriculture and Rural Development (MARD) propose the Government to consider supporting measurements based on regions with total cost of ~VND 37,700 billion (~USD 1.7 billion). Furthermore, MARD also initiates agricultural projects to adapt with climate change sponsored by German Government with USD 700,000, done in 4 years and started on 01/03/2016.

Table 1: Suggestions from MARD to solve drougt and salinization

Central Highlands	Mekong Delta
(1) Support 3,650 tons of rice (~VND 30 billion) for people in Central Highlands. (2) Funding drought prevention phase 2 (~VND 658 billion) for 5 provinces in Central Highlands. (3) Structure the capital from Government bonds to construct drought prevention projects (~VND 26,000 billion).	(1) Funding the drought and salinization remedial for Winter-Spring season (~VND 624 billion). (2) Support VND 215 billion for localities to purchase seeds, restore production in the area affected by drought and salinization. (3) Funding drought and salinization prevention (~VND 650 billion) (4) Structure the capital from Government bonds to invest in drought and salinization projects (~VND 9,060 billion). (5) Support clean water for people in salinized area (~VND 538 billion).

Source: RongViet Research

Manufacturing outlook

Q1/2016 business results from top-down strategy

In Q1/2016, construction recorded a very high growth; increased approximately 10%, much higher than the same period and was the highest increase since 2010. The manufacturing activities of some construction materials were also relatively positive, the steel and cement output grew by 23% and 11% over the same period. In addition, the price of steel increased by the supportive policies from gorvernment. Based on this trend, we believe that the expectations could be optimistic about the business results in Q12016 of some construction and building materials companies such as steel, cement, bricks, stones…

The slight improvement in business results could be seen at milk, electricity, animals feed industries... Meanwhile, the negative outlook should belong to oil and gas industry is due to crude oil output decreased by 1% compared to the same period last year and the low oil prices in the early year made the services of the oil and gas industry significantly affected.

Table 2: Manufacturing activities of some industrial goods in Q1/2016

		Output growth	Input price*	Output price*	Consumption growth
1	Steel	23,0	Up	Up	Slightly decrease
2	Autobiles	22,3	Stable	Stable	Strong decrease
3	Powder milk	19,9	Down	Stable	Up
4	LPG	16,0	Down	Down	Up
5	Animals feed	14,3	Down	Down	Up
6	Electricity	14,0	Stable	Stable	Up
7	Cement	11,0	Stable	Stable	Up
8	Fresh milk	5,6	Down	Stable	Up
9	Fishery	5,3	Down	Up	Slightly Up
10	Natural Gas	5,2	Down	Down	Slightly Up
11	Fertilizer	4,4	Down	Down	Down
12	Fabrics	3,2	Down	Down	Up
13	Textile	-0,3	Up**	Stable	Slightly decrease
14	Sugar	-3,9	Stable	Slightly decrease	Up
15	Crude oil	-5,7	NA	Down	NA

Sources: GSO, RongViet Research

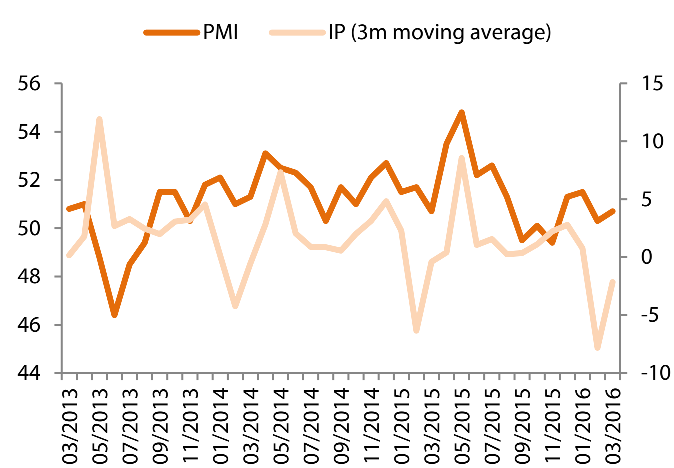
** Compared to Q4/2015; **Labor costs*

Stable prospects in next quarters

Looking at yearly trend, industrial production has not been as positive as 2 years ago. However, PMI demonstrated the stable signs in orders and improvements over months. Simultanuously, Q1 is off-peak quarter for industrial production. Therefore, we expect stable industrial production to be the backbone of the economy in the future.

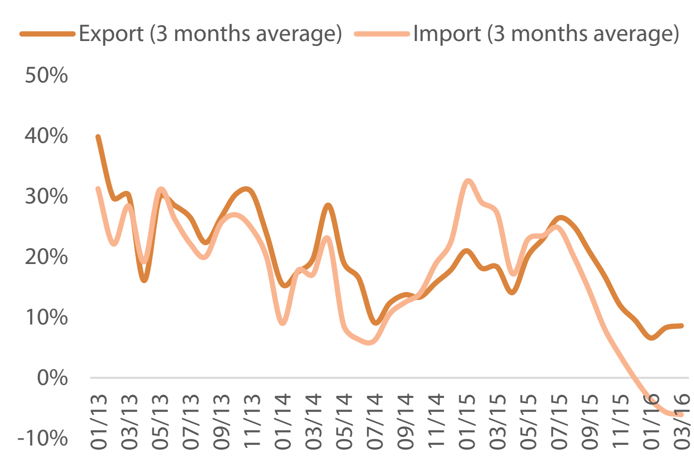
FDI sector showed no sign of improvements despite positive disbursement recently and this raise serious concerns. Export growth index for 3-month average decreased by at least 6% while export one improved by 8.6%, lowest level over years. This implied that disbursement flow concentrates on infrastructure construction acvitieis while industrial production of FDI sector showed the stagnation signal. Therefore, growth rates of manufacturing and processing sectors are affected. This factors need to be monitored and warned if there will be no recovery.

Figure 12: PMI and IP trends



Sources: GSO, Nikkei, RongViet Research

Figure 13: FDI export and import growth



Sources: Customs, RongViet Research

Monetary market outlook: stable exchange rate – higher interest rate concern

The dong is expected to remain stable upcoming quarters

We believe that the new exchange rate policy has been operated efficiency as maintaining the USDVND within 3% exchange rate trading band and reducing speculation and daily unexpected surge. As mentioned in previous reports, by changing the exchange rate mechanism the VND move will have a strong correlation with trade deficit and inflow/outflow capitals this year. In Q1/2016, decreasing in export-import growth led to trade surplus. Moreover, implemented FDI capital recorded high, supporting for the SBV's exchange rate policy. In the first three months of 2016, the SBV also increase foreign exchange reserves through buying foreign currency. This step enables the ability to control the VND's stability in upcoming quarters. Regarding external factors, the depreciation of US dollar in compline with the conservative FED's rate hike and less negative Q12016 Chinese economic outlook will help the Vietnamese policy makers more comfortable.

In summary, it seems that fewer negative factors have affected the VND moves in recent times, however, trade activities likely became less positive. In the view of the SBV, balancing between benefits and costs is likely the next step they should consider as fewer supportive factors for growth in upcoming times.

Higher deposit rates will lead to lending rate adjustments

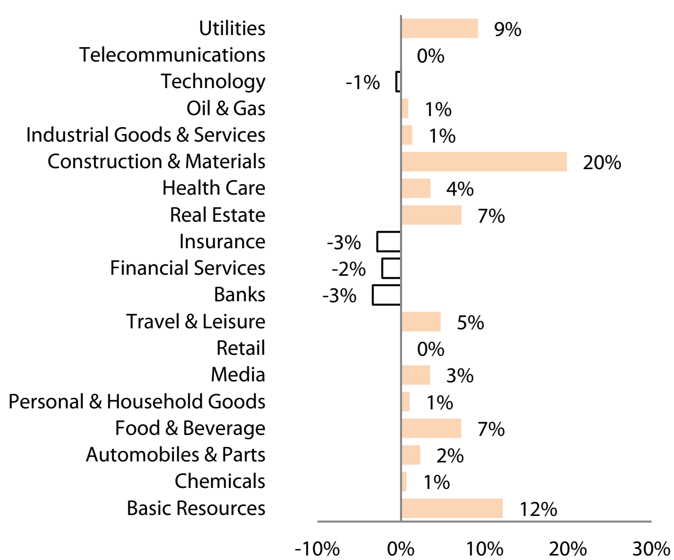
According to Rong Viet Research, the recent adjustments of deposit rates should impact negatively on business confidence in the economy. With the change in deposit rates, the cost of borrowing should be raised, then should create concerns in investment and production expansion. For the banking system, we find the stability in terms of liquidity, but the obligation on safety ratios and provision for bad debt will curb profit growth. In the context of the necessity to support economic growth, the adjustment of lending rates even at low amplitude is also an unfavorable factor for the economy in general and the activities of enterprises in particular.

STOCK MARKET IN MARCH: The first distribution phase in 2016

The market came into a distribution phase so good investment opportunities in March were just from some specific stock groups. Both VNIndex and HNX-Index showed strong signals of distributing after peaking in the mid of March. Therefore, these indices closed at nearly the same levels as closing prices of February. This distribution phase may be caused mainly by: (1) The Circular 7 has come into force (since 15/3/2016), causing short-term selling pressure on the stock market and (2) commodity prices have likely corrected after months of rallying.

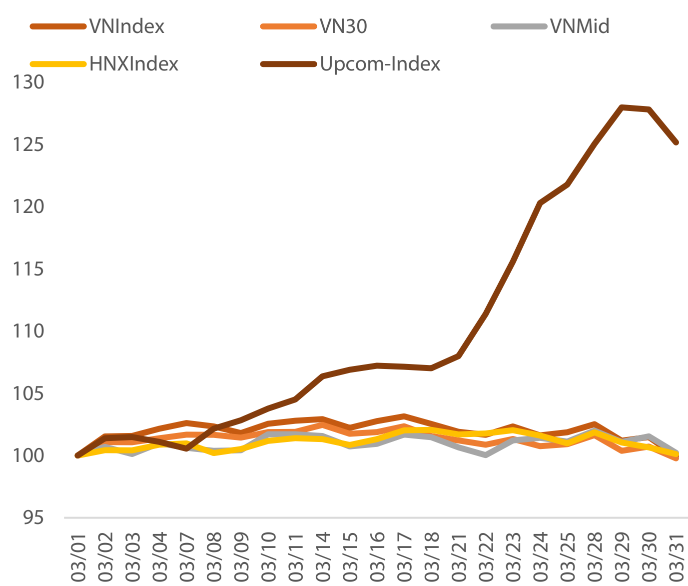
However, high realized earning returns were still available at some specific stocks, typically: resources sector (+12.2%), construction and construction materials (+19.9%), utilities (+9.2%) and Upcom stocks (+25.7%). While upward momentum is mitigating, investors have caught many uncommon opportunities at some penny stocks and even Upcom stocks. These provided huge investment earnings if these investors opened long and selling positions appropriately, especially at resources stocks and some other penny stocks (ATA, HDO,…) and some high liquidity Upcom stocks: MSR, GEX, SDI,….

Figure 14: Sector indices' movements



Source: Rongviet Research

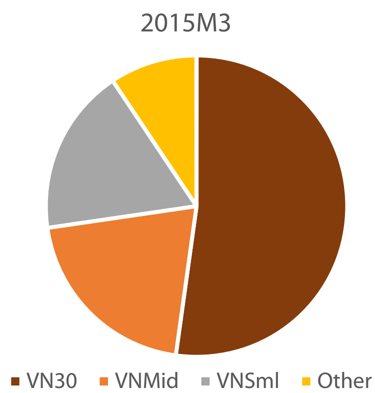
Figure 15: Market indices' movements

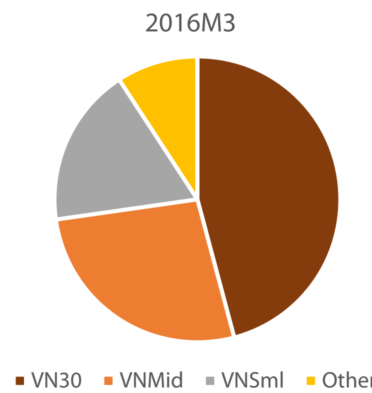


Sources: FiinPro, Rongviet Research

Cash inflows were either stable and improved significantly compared to the same period of last year. The market in March witnessed both liquidity and cash flows being improved considerably. Average of order-matching volume and traded value were 133.4 shares and VND2,040 billion, respectively, increasing by 44% and 31% in line comparing to the same period of last year. Moreover, these cash flows concentrated mainly on mid and small cap stocks, with traded value of those groups rising 72% (yoy) and 32% (yoy), respectively. Otherwise, cash flows also pumped strongly into the Upcom market, with an average of traded value at VND83 billion, increasing 77% (yoy). However, cash flow dispersion between Upcom stocks still remained relatively high, with over 70% out of total traded value of this market focusing on only 5-6 tickers listed in this market, typically: GEX, MSR, SWC, SDI, VEF, VGG.

Figure 16: Traded value structure of main stock groups in HSX





Sources: FiinPro, Rongviet Research

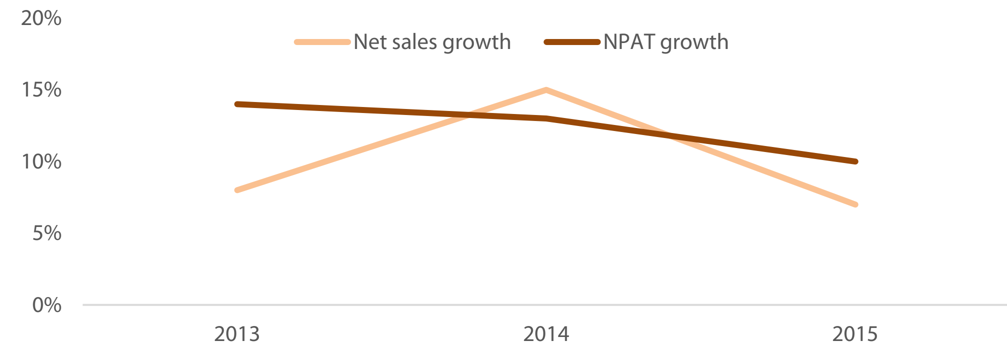
2015's business results: lower growth pace but some sectors' growth appeared attractive. Total revenue and PAT of companies listed in HSX and HNX (not accounting for banking, financial services stocks) increased only 7% and 10%, respectively in 2015. These figures are considerably lower than 2014's. However, some sectors witnessed extremely higher growth rates than the average of the market, such as:

Table 3: The most attractive sectors in year 2015

Sector	PAT growth	Notes
Travel and Leisure	+128%	Thanks to significant contributions of large companies as: SKG, RIC, VNS
Retail	95%	Thanks to auto retailing stocks' growth: SVC, HHS and another large company (COM)
Food and Beverage	+48%	Some companies took benefit from low commodity prices, typically VNM. Besides, an extraordinary gain of KDC from divesting its food and candy segment also accounted greatly for this high growth
Construction and Construction materials	+47%	Similar to the above sector, some companies in construction materials also took benefit from low commodity prices as BMP and other companies, such as HT1, BCC, VCS, saw high sales growths thanks to higher demand of their clients. Similarly, construction stocks also had attractive growths in their client's demand so their sales growths are very high, such as: CTD, CII
Personal and Household goods	+26,7%	Taking benefit from commodity price as: LIX, DGC Growing thanks to higher market demand, such as: PTB, TLG
Technology	+20%	Growing thanks to bright industry outlook (higher demand from their clients), such as: FPT, ELC, ITD, CMG

Source: RongViet Research

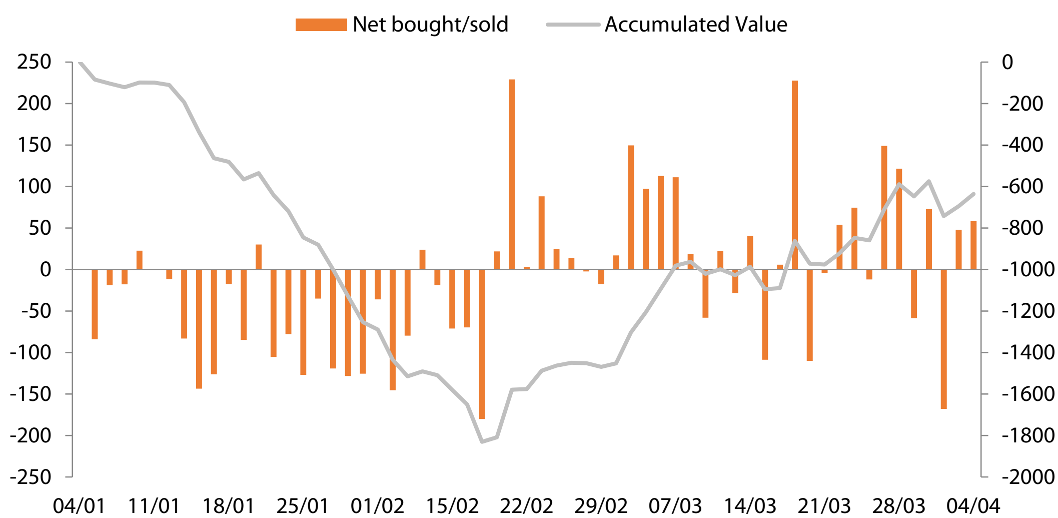
Figure 17: Revenue and PAT growth of listed companies in 2012-2015



Source: RongViet Research

Foreign trading activities: Uncommon Q1 is not a big concern

Figure 18: Foreign investors trading



Source: RongViet Research

Foreign investors made some marks in 1Q/2016. Unlike the inflow trend in 3 recent years, foreign capital outflowed VND742.2 billion in this first quarter. Foreigners have turned to net sellers since August 2015 to the end of February 2016. The value of their trading activities saw improvement from Jan to Mar: foreign investors net sold to an extreme value of VND1,128 billion in Jan and the selling value reduced to around VND216 billion in the following month before offshore investors turned to net buyers to the tune of VND727 billion worth of shares in both bourses. In HSX, they net bought MBB to a value of VND812 billion thanks to the FOL lifting of this bank. VIC was strongly shorted with a distinctive value of VND1,903 billion. In HNX, SCR was their top buy at VND82 billion while DBC was their top sell at VND50 billion. Uncommon act in 1Q/2016 should not be a big concern as foreigners only strongly sold at specific stocks and specific sectors. \

Table 4: net volume and value of foreign trading in 1Q/2016

Sector (ICB lev 2)	Net volumes (unit: million shares)	Net value (unit: billion VND)
Oil & Gas	(6.22)	(130.71)
Chemicals	0.89	17.89
Basic Resources	(11.37)	(420.31)
Construction & Materials	8.08	140.16
Industrial Goods & Services	(7.30)	(8.71)
Automobiles & Parts	(22.15)	(537.80)
Food & Beverage	29.09	508.78
Personal & Household Goods	(0.49)	(41.67)
Health Care	2.16	(8.57)
Retail	1.31	19.01
Media	0.13	2.06
Travel & Leisure	2.64	3.27
Utilities	0.73	136.14
Banks	56.24	748.30
Insurance	0.32	(1.19)
Real Estate	(4.61)	(1,433.66)
Financial Services	21.28	242.00
Technology	1.11	20.86

Source: RongViet Research

The reconstitution of ETFs did not have any differences from the forecast of brokers. Remarkably, both funds witnessed capital outflows in a starting quarter since 2011. The investors withdrew USD28.0 million from VNM ETF and USD13.7 million from FTSE ETF. With the anticipated FED lifting up its rates, capital outflow pressure might be persistent to these two ETFs.

Foreign investors tended to be quite active in buying in the first quarter while they usually turned to net sellers when it came to the interference between April and May when market normally corrected in this period (Halloween effect, which was presented in a report from RongViet Research in on 31/10/2015). However, foreign investors are showing signs of stability. Also the story of FOL lifting will be a hot topic during this AGM season. To sum up, we expect foreign capital will soon return to Vietnam stock market.

APRIL STOCK MARKET OUTLOOK: Buy on dip with selection

The stock market went full circle in March as VNIndex and HNIndex climbed strongly during the month but ended down 3% and 2% respectively. Trading activities were much more robust than the previous months, partly thanks to the return of foreign investors as net buyers. Last month, foreign bought a net VND727bn in both exchanges. In the listed markets, the rise of oil & gas and electricity stocks, most notably GAS, VCB, PPC, NT2 and BTP captured the spot light. However, it was the Upcom market that introduced a new taste to the market. Upcom stocks such as MSR, GEX, TOP, VGC, VEF, etc. gained strongly under the support of speculators before a withdrawal of liquidity near the end of the month sent these stock back down. Since stocks moved too fast and there was a strong divergence among sectors and securities, not many investors were to make large profits last month.

There was strong relation between March's stock market macroeconomic developments of Vietnam in the first quarter. While foreign exchange risk became less concerning, low oil prices caused oil-related revenue in the state budget to fall below expectations; tax revenue from State-run enterprises, especially Dung Quat Refinery was also negatively affected by oil price volatility. On the other hand, Vietnam's GDP growth only 5.45% in Q1 under the impact of lower oil exports and contraction in the contribution of the agriculture sector as a result of El Nino. On the positive side, three sectors including (1) electricity, (2) construction and (3) building materials exhibited a jump in production value in Q1. Our survey shows that companies in these sectors are generally more optimistic about their business in 2016. Conversely, most oil & gas, natural rubber and automobile companies target lower profits and revenue in 2016. Despite a strong rally in stock prices, electricity companies, including large thermals power and hydropower plants are quite conservative in their 2016 business plans.

Apart from these two factors, we believe that news on FOL expansion would be the topic of much interest in this AGM season. From the AGMs of REE, FPT, PNJ and VSC, we have learnt that developments in the lifting of foreign ownership constraint have been limited and that not every company is excited about this matter. However, we understand there is still a lot of interest from foreign investors for companies with substantial SCIC holdings such as BMP, DHG and especially VNM and expect the developments on the FOL expansion of these companies to have a positive impact on the market.

VNIndex is expected to move between 540 and 574 and HNIndex between 75 and 81 this month.

In the first two week of April, we believe it is necessary to reduce the allocation to stocks as the risk of retracement is still relatively high. Besides, strong fluctuations and unsustainable rebound in the prices of oil and other commodities make stocks in these two groups more suitable for investors with above-average risk tolerance. Similarly, we advise against participation in volatile Upcom stocks, at least until the market regains stability. Nonetheless, a strong decline of the market could become a great opportunity for long-term investors and those who have cash on hand.

For the time being, it is advised that investors pay more attention to sectors with positive Q1 business prospects such as construction, building materials, technology, insurance, etc. In addition, investor should should exert caution with oil & gas and electricity stocks, many of which have grown strongly in the last two weeks. In fact, a decrease in crude output promises a tough year for oil & gas companies despite the recent recovery of crude oil prices. Meanwhile, extreme droughts and water shortage should support thermal power companies in term of prices and output in the short term; however, EVN may tightens its grip and imposes disadvantageous terms in PPA contracts, making it difficult for these companies to achieve strong profit growth.

Table 5: Key sector information (including UpCom)

1Supersector	P/E trailing (x)	P/B (x)	ROE (%)	ROA (%)	Mar. cap (VND bn)	+/- Price 1 month (%)	+/- Price YTD (%)	3-month net foreign trading value (VND bn)
Banks	13.63	1.59	11.40	0.83	304,880	-5.40	-9.61	748
Food & Beverage	15.23	5.58	27.70	20.13	268,304	1.73	-1.25	509
Real Estate	22.33	2.58	8.27	2.80	166,266	-0.69	-1.56	(1,434)
Utilities	9.13	1.75	26.36	18.11	119,215	-3.30	13.88	136
Construction & Materials	10.83	1.74	17.72	7.92	86,024	3.57	6.73	140
Basic Resources	14.97	2.19	9.92	4.65	78,186	19.67	7.23	(420)
Industrial Goods & Services	12.10	1.88	19.74	11.88	74,618	-0.80	0.13	(9)
Insurance	19.23	2.12	9.49	2.71	49,435	-7.70	-4.43	(1)
Chemicals	8.27	1.33	17.48	9.27	44,884	-3.06	-0.65	18
Financial Services	10.81	1.15	12.62	5.79	28,238	-4.65	-3.63	242
Technology	10.14	1.88	16.61	6.88	24,473	-3.13	0.02	21
Personal & Household Goods	11.23	2.24	22.11	10.43	24,155	4.54	11.93	(42)
Health Care	19.42	2.37	19.43	13.74	18,578	2.64	25.55	(9)
Oil & Gas	4.65	0.65	17.03	7.58	16,054	-7.64	-12.43	(131)
Retail	10.45	3.52	42.31	19.08	15,333	-4.12	-5.27	19
Travel & Leisure	28.98	2.89	22.71	19.91	12,765	0.27	-5.83	3
Automobiles & Parts	7.22	1.97	33.81	15.23	12,479	-1.37	-9.96	(538)
Media	73.58	3.53	5.36	3.82	12,055	55.69	180.12	2

Source: RongViet Research

1Q2016 Business Trend

Sector	Business plan 2016 vs 2015	Business trend Q1/2016 vs Q1/2015	Note
Construction	++	++	- Construction activities in Q1 remained robust thanks to the large number of real estate projects started in 2015. Contrywide construction value (based on 2010 price) was reported VND164 trillion, up 10% from a year earlier in Q1. - Among large contractors, CTD and CII both target high revenue and profit growth: CTD aims to achieve top-line and bottom-line growth no less than 20% while CII target NPAT growth of 83% in 2016. - Many construction companies have brough forth capital-raising plans in 2016 (CII, FCN, HUT, CTD).
Seaport & Transportation (inc. oil transportation)	+	-/?	- Land transporters should experience slower sales growth in 2015 as truck supply has outgrown demand while operating costs (truck driver wages and road tolls) are on ther rise. Though fuel prices have remained low, trucking companies may have to lower freights rate to maximize utilization. - Hai Phong – based seaports operations may see moderate growth in 2016 sales and profits as cargo volume for the Hai Phong port cluster is expected to grow 16% this year. However, Q1 performance of port companies should suffer from a decline in the volume of reefer goods. - The business outlook for oil transporters will be tied to oil price and the progress of new O&G projects. In our opinion, the risk of Dung Quat Refinery shutting down is low, creating stability in the business of oil and gas carriers. However, FSO/FPSO rates may be adjusted downward. PVT in particular can book substantial profit in Q1 from the consolidation of a affiliate company providing O&M services.
Building material (exc. Steels)	++	+	- Q1 perfomance of material producers would be strongly supported by the robust real estate market and construction activities. - Many companies in the sector have submitted business 2016 plans with high sales and earnings guidance. - Plastic pipe producer still benefit greatly from low input prices.
IT	++	++	- Tech firm expect strong revenue and profits growth in 2016 thanks to large backlog carried over from 2015. - The initiation of many key transport projects would bring a lot contracts in equipment installation and system integration in 2016. - Increased capital investment of Mobiphone is a substantial source of works for tech firms. - ITD and CMG has a tendency to book higher revenue and profit in last quarter of the fiscal year (ending in March). ELC still a large amount of unbooked revenue for the works done in 2015 that the company may begin to recognize in Q1.
Real estate	+	-/?	- The number of transactions in Hanoi and HCM in 1Q2015 was little changed from 1Q2014; not many projects handed over products last quarter. - According to the GSO, the contribution of the real esate business in GDP grew 3.43% from a year earlier in Q1, the highest year-over-year growth rate since 2012. - The tightening of mortgage lending and disbursement from the 30,000-billion package being halted had some impact on sales in the middle-end segment in Q1.

			- Given the high base of sales and profit in 2015, many real estate companies only target moderate growth in 2016
Non-life insurance	+	+	- Premiums of top 5 largest insurance companies are expected to grow 22% yoy in Q1 wheares loss ratios should maintain or decrease slightly. - A number of new policies took effect in Q1, including obligatory insurance in construction (starting Feb 2016) and the increases of 1887 healthcare services (starting Mar 2016);
Automobiles & parts	-/?	+	- Tires and batteries' consumption volumes maintained remarkable growth in Q1 owing to replacement demand resulting from the strongly increased number of commercial and passenger vehicles in the 2014-2015 period. - Natural rubber price has been showing slight recovery signals during Q1, stabilising tire companies' gross margins. - Lead and zinc prices started upward trends in March, thus PAC's Q1 performance is unlikely to be affected.
Special retailers	-/?	-	- VAMA's statistics shows that passenger cars' sales volume went down by 10% while that of commercial vehicle was 25%. - Q1/2016's sales activities did not grow remarkably as they did at the same time last year, as the automobile industry has been displaying stagnating signals after the rapid growth period of 2014-2015.
Electricity			- Due to El Nino effects, thermal power plants are likely to produce high utility rates. However, listed companies' plants have been operating at fairly high utilities in 2015, thus may not leave much room for growth in 2016. - As a result of the lack of water, hydro power plants have targeted lower figures in terms of volume and revenue comparing to last year's actual numbers. In fact, Q1/2016 results are lower comparing to historical average numbers. - On the other hand, thermal power plants' Operating profit margins are expected to improve compared to those of 2015 owing to inclining electricity prices.
Travel & Recreation	-/?	+	- Tourism continues to embody optimism as traditional places of interest have maintained considerable growth. - The seasonal factor infers that Q1 is the peak season for tourism nationally. Along with the growth in the number of tourists and newly operated flights, performances are going to be promising for firms within the industry.
Food & Beverages	+	+	- Economic recovery leads to increase in demand - Companies continue to benefit from low input prices compared to the same period.
Banks	+	+	- Bad debt issue has been techinically solved. Healthy and clean balance sheets facilitate for banks to promote business activities. - Credit growth in 2016 is expected to achieve 18%. With over 70% of income structure depending on interest income, strong credit growth could be a chance for banks to improve revenue. - Over 50% of bad debts sold to VAMC during 2013 – 2015 was conducted in 2015, leading to the record level of provision for special bonds in 2016 and 2017. - NIM ratio will slightly improve in 2015 if Draft circular amending Circular 36 passed, in which, rate of short-term capital for intermediate and long-term loan is adjusted back to 40% (decreases by 20 bps).

Personal & Household goods			- Shift of orders, especially from China, continue to support textile industry. Textile exports up to 3/2016 recorded a growth rate of 6.3% yoy. - Input prices have been relatively stable and under the slight increase trend. As a result, pressure on selling price could significantly reduce.
Chemicals (Fertilizers)	-/?	-/?	- Because of El Nino affects, agricultural sector deteriorated by 2.75 in Q1/2016. Fertilizer demand in 2016 is forecasted to decrease with abundant domestic supply and significant increase in urea imports. - Majority of companies is conservative about 2016 business plans. Sale prospects are pessimistic due to El Nino. - Companies producing products from gas continue to benefit from low crude prices. Average gas price in Q1/2016 was USD 2.84 USD/MMBTU, declined by 38.7% yoy. Even though output prices continued to decline in Q1/2016, gross profit margins could improve compared to Q1/2015.
Pharmaceuticals	+	+	- Amendments in pharmaceutical laws and Circulars relating to medicine procurements are the notable hightlights for this year. - Regarding of 2016 business plant, majority of companies has been optimistic about 2016 prospects. Growth rates of revenue and PAT are forecasted to be 10 – 15% higher than 2015 actuals. - Q1/2016 business results over several pharmaceutical companies are more optimistics then the same period due to (1) stable sale activities in OTC markets and (2) low 2015 business results.
Industrial metals	-/?	++	- The decline trend of raw material and finished good prices slowed down thanks to positive information from China construction and real estate industries. However, oversupply issue is expected to prolong and steel prices could not significantly increase in short-run. - Import duties for construction billet will benefit billet producers. Exporting activities of coated steel companies continue to grow. Domestic demand is the catalyst for improvement in revenue and PAT - Business results will continue to segment based on production capacity: large-scale manufacturing companies could maintain positive growth rate thanks to price advantages while down-stream/outsourcing/small scale companies could continue to report losses. - Steel companies have been relatively pressimistic about 2016 business results, 2/3 companies in the list of RongViet Research planned to achieved PAT to be equal to or less than 2015 actuals.
Natural rubber	-	-	- Rubber inventory slightly decreased, therefore rubber prices could not significant recover in 2016. - Average selling prices are expected to be 18% lower than the same period. - Price to liquidate rubber garden could also decrease by ~20% over the same period.
O & G	-	-	- Oil price bottoming up in Q1/2016 could reflect into business prospect of oil & gas companies in 2016. - Gas companies are under the pressure of low selling prices, leading to decreases in revenue. - Mechanical and construction companies could face the delay in projects due to the adjustment in Power Plan VII and restructuring of gas industry. - Oil & gas service companies continue to face low demand (fleets, coating, drilling…)

Source: RongViet Research

For the whole month of April, trading in the stock market should remain positive, supported by (1) increasing participation of foreign investors, (2) updates on FOL extension by big companies and (3) maintained liquidity in both exchanges. However, while waiting for supportive information, the chance of adjustment or sideway situation could be relatively high. Seeing a high possibility that the market will recovery in later weeks of April, we believe that this is a good time to accumulate stocks with strong business outlook in Q1 and the year 2016.

The construction and building materials sectors rank in the top of our rating table. In its Q1 report, the Ministry of Construction said that construction value across the country grew 9.94% yoy in the first 3 months of 2016, the highest rate since 2010. Primary materials such as steel, iron, cement, ceramic tiles also experience positive growth rates in consumption, production and prices. With the increasing number of transportation, industrial and real estate projects being launched, we are still optimistic about the business prospects of contractors and building material manufacturing in 2016.

With large backlog carried over from 2015, technology companies should have a strong year ahead. The initiation of key transportation projects and new investment by Mobiphone will provide substantial works in equipment installation and system integration. We believe tech firms with fiscal year ending in March and those with large unrecognized revenue could record positive results this quarter.

The decline in output from hydroelectric power plants due to 2015 – 2016 El Nino could increase electricity prices and sale output from thermal power plants. Moreover, coal and gas prices should remain low, allowing thermal power plants to maintain strong margins, at least until the rainy season begins. However, we emphasize that these are short-term benefits because the tight grip of EVN could hinder power plants' chance to realize strong profit growth. In the long-term, gradual increases in electricity demand, underpinned by the recovery of industrial production activities is the main driver for the electricity sector.

- Transportation: PVT
- Seaports: HAH, VSC
- Construction: FCN, CTD
- IT: FPT, ELC
- Electricity: NT2, PPC, REE
- Real estate: BCI, KDH, NBB, LHG
- Special retailers: SVC
- Building materials: DNP, BMP, HT1, KSB, HPG, HSG
- Textile - garments: TCM, STK
- Oil & Gas: PGS, PVS, PLC
- Food & Beverages: VNM
- Other sectors: SKG, DHC, DRC, PTI, PAC, DPM

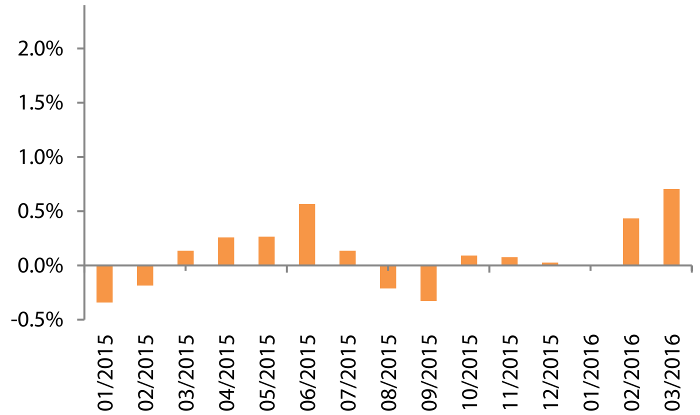
HIGHLIGHT STOCKS

Ticker	Subsector	Target price (VND)	Current price (VND)	Rating	Time horizon	Financial 2015 +/- Rev. (%)	Financial 2015 +/- NPAT (%)	Financial 2015 D/E (x)	Financial 2016 +/- Rev. (%)	Financial 2016 +/- NPAT (%)	Valuation PER Trailing (x)	Valuation PBR Cur. (x)	Valuation +/- Price 1y (%)	Trading 3-month avg. vol. (shares)	Trading Market cap (VND bn)	Trading FOL (%)
DRC	Automobiles & Parts	52,000	44,300	Accumulate	Long-term	2.0	17.7	0.6	17.7	21.5	9.8	2.4	(14.7)	395,767	4,057	21.0
PAC	Automobiles & Parts	37,000	34,400	Neutral	Intermediate-term	4.5	21.4	0.8	13.8	21.1	11.6	2.1	69.9	70,839	1,053	23.7
ACB	Banks	22,500	18,300	Accumulate	Long-term	2.8**	8.6	-	12.5	38.3	16.0	1.3	15.8	141,648	16,402	19.0
VCB	Banks	46,700	40,900	Neutral	Long-term	22.5**	15.2	-	11.3	27.7	20.5	2.4	19.4	918,840	108,999	28.1
BMP	Construction & Materials	142,000	145,000	Neutral	Long-term	15.6	37.7	0.0	14.3	9.4	12.6	3.2	93.4	117,579	6,549	0.3
CTD	Construction & Materials	171,000	187,000	Neutral	Long-term	79.1	105.0	-	19.8	17.8	11.8	2.6	166.3	62,588	8,563	5.1
KSB	Construction & Materials	38,700	42,000	Neutral	Long-term	18.2	29.5	-	6.8	8.1	7.9	1.9	99.2	551,489	990	30.9
PLC	Construction & Materials	40,500	30,600	Buy	Intermediate-term	1.6	23.1	2.2	3.6	1.2	7.5	2.1	14.3	117,404	2,472	43.6
DPM	Chemicals	32,500	28,800	Accumulate	Intermediate-term	2.3	34.1	0.0	(6.9)	11.7	7.4	1.3	15.4	525,405	11,270	23.9
PPC	Electricity	20,900	18,100	Accumulate	Long-term	2.4	(46.3)	0.8	(5.2)	44.4	10.3	1.0	(15.1)	543,917	5,790	35.8
NT2	Electricity	37,900	31,900	Accumulate	Intermediate-term	(8.0)	4.9	1.2	(10.0)	(10.7)	7.8	1.8	39.7	742,215	8,711	28.8
VNM	Food Producers	130,000	134,000	Neutral	Long-term	14.6	28.0	0.1	13.0	11.0	20.7	7.8	61.6	1,262,340	160,819	-
DHC	Forestry & Paper	38,200	35,200	Neutral	Long-term	17.9	85.1	0.2	10.5	15.3	7.5	2.0	106.3	118,632	809	25.8
REE	General Industrials	31,000	24,100	Accumulate	Long-term	0.5	(19.2)	0.1	2.0	16.1	7.5	1.0	(2.8)	558,797	6,444	-
SVC	General Retailers	41,700	30,000	Buy	Intermediate-term	24.7	86.0	0.7	5.1	4.4	7.3	0.9	60.5	123,233	757	16.1

PTB	Household Goods & Home Construction	93,000	95,500	Neutral	Long-term	24.2	51.5	0.9	17.2	24.3	8.2	3.1	131.6	41,270	1,659	41.5
HPG	Industrial Metals	39,700	29,000	Buy	Long-term	7.6	7.8	0.5	27.1	24.3	6.1	1.5	1.2	1,563,326	21,400	11.1
HSG	Industrial Metals	40,700	34,300	Accumulate	Intermediate-term	16,4***	59,1***	1.4	(3.1)	12.3	6.4	1.4	42.7	846,231	4,560	15.8
VSC	Transportation Services	72,000	57,000	Accumulate	Long-term	4.1	11.5	0.3	31.5	-7.5	9.6	1.7	42.9	174,341	2,402	-
PVT	Transportation	13,500	10,200	Buy	Long-term	9.4	7.6	0.8	3.9	17.0	7.0	0.8	(16.4)	1,158,556	2,584	36.0
HAH	Transportation Services	56,000	43,000	Buy	Intermediate-term	21.9	26.9	0.4	11.0	(4.6)	6.8	1.9	-1.8*	171,192	980	39.8
PTI	Nonlife Insurance	28,500	22,600	Accumulate	Long-term	31.3	138.1	0.0	21.6	25.9	9.8	1.0	61.4	51,816	1,817	11.0
PVS	O&G	18,000	15,400	Accumulate	Intermediate-term	(25.9)	(18.1)	0.2	(15.7)	(25.6)	4.5	0.7	(24.9)	1,935,482	6,879	25.0
NBB	Real Estate	26,500	17,300	Buy	Long-term	(58.2)	9.1	0.9	12.5	38.3	24.0	0.8	(16.8)	126,604	1,041	11.2
BCI	Real Estate	28,700	23,200	Accumulate	Long-term	92.3	200.6	0.2	12.0	18.4	6.9	1.0	33.2	61,526	2,012	39.3
LHG	Real Estate	22,000	25,100	FALSE	Long-term	(25.7)	176.5	0.2	7.8	0.4	10.0	1.0	88.6	515,574	699	45.5
ELC	Software & Computer Services	32,000	23,400	Buy	Long-term	118.8	18.3	0.3	35.0	89.3	12.7	1.3	67.3	409,025	945	30.7
FPT	Software & Computer Services	52,000	46,800	Neutral	Long-term	16.3	17.3	0.9	7.5	10.1	9.6	2.2	17.5	843,666	18,601	-
SKG	Travel & Tourism	111,000	107,000	Neutral	Long-term	36.3	69.5	-	33.0	44.8	14.9	5.1	193.3	44,175	2,644	1.1

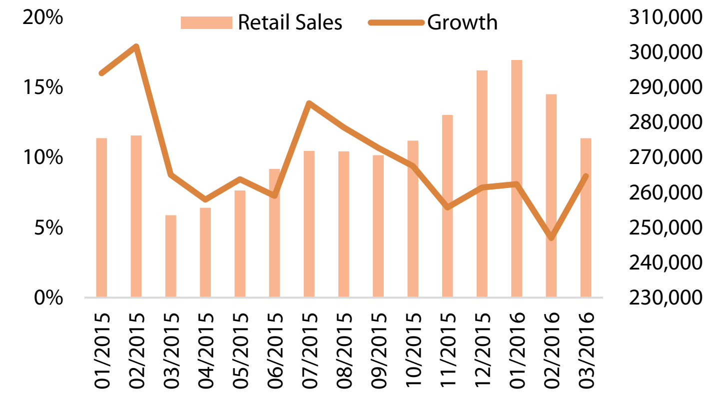
Source: RongViet Research
*Price change since listing
** Total operating income growth
***Fiscal year ending in Septembe

Inflation surged in March



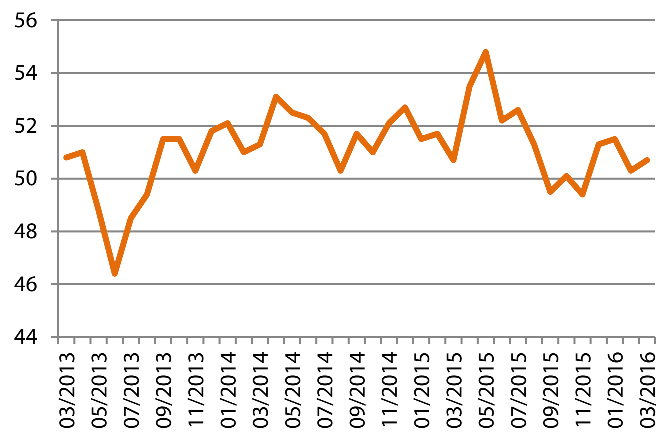
Sources: GSO, Rongviet Securities database

Retail sales improved rapidly



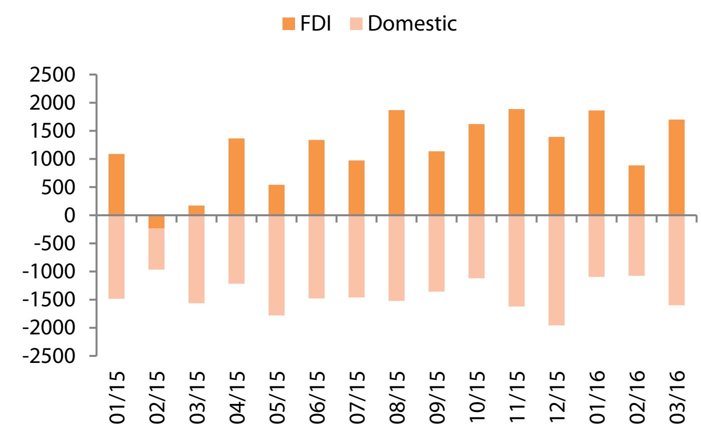
Sources: GSO, Rongviet Securities database

PMI saw a slight improvement



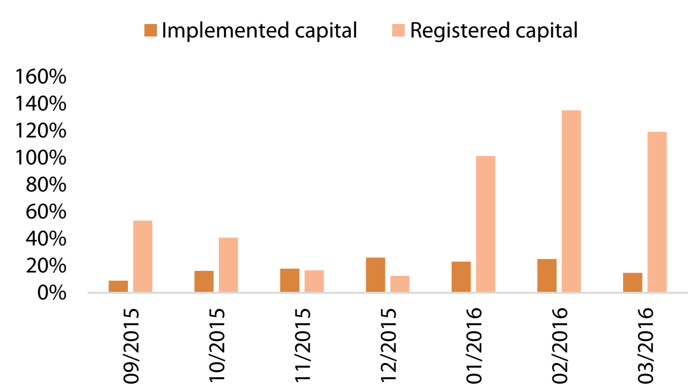
Sources: Markit, Rongviet Securities database

Domestic firms' trade deficit increased significantly



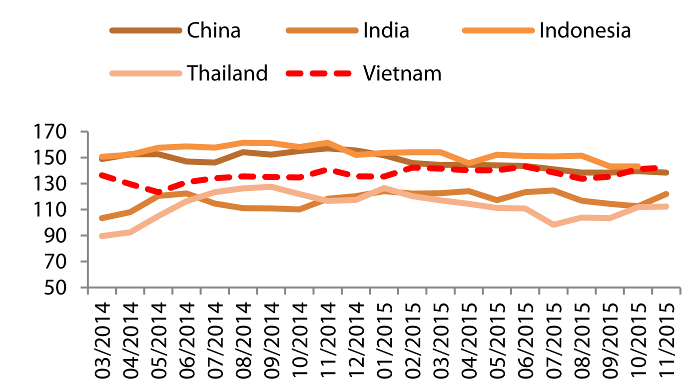
Sources: GSO, Rongviet Securities database

Implemented FDI capital remained high



Sources: GSO, Rongviet Securities database

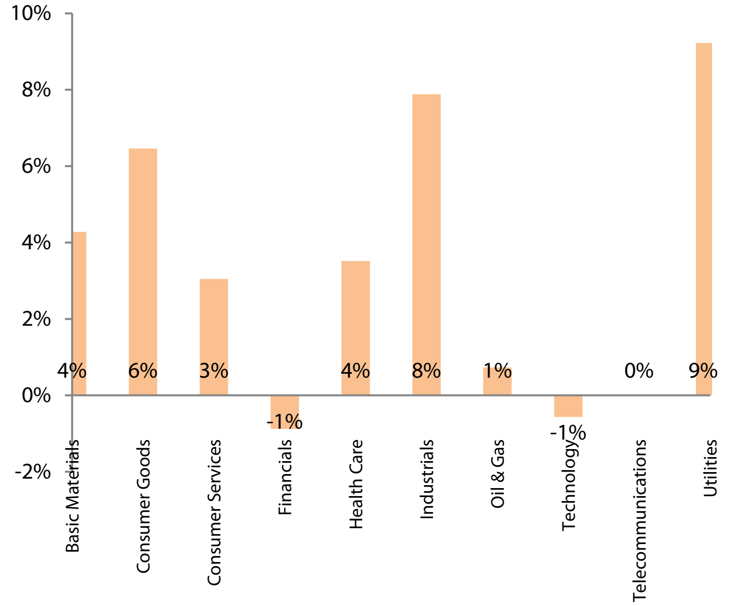
Vietnamese consumer confidence is the top among Asian's



Sources: ANZ, Rongviet Securities database

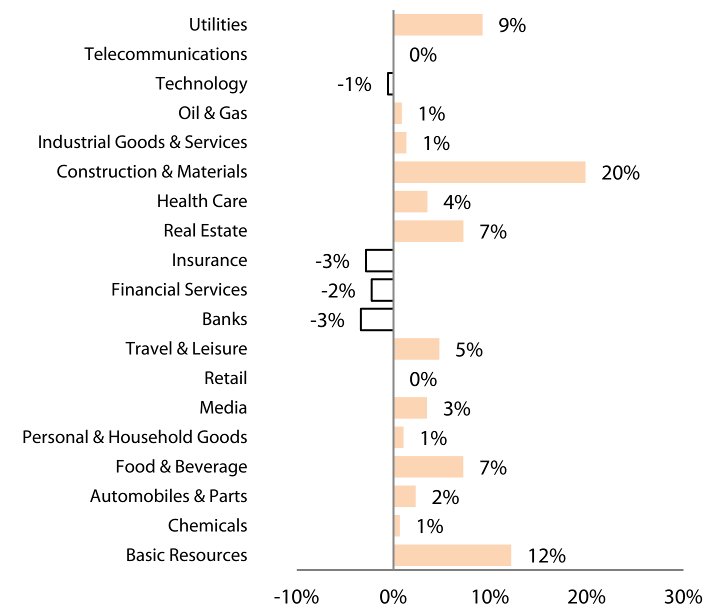
INDUSTRY INDEX

Level 1 industry movement



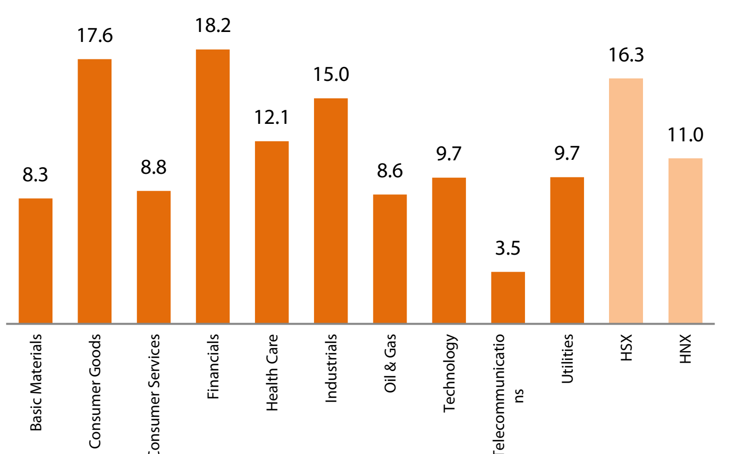
Source: RongViet Research

Level 2 industry movement



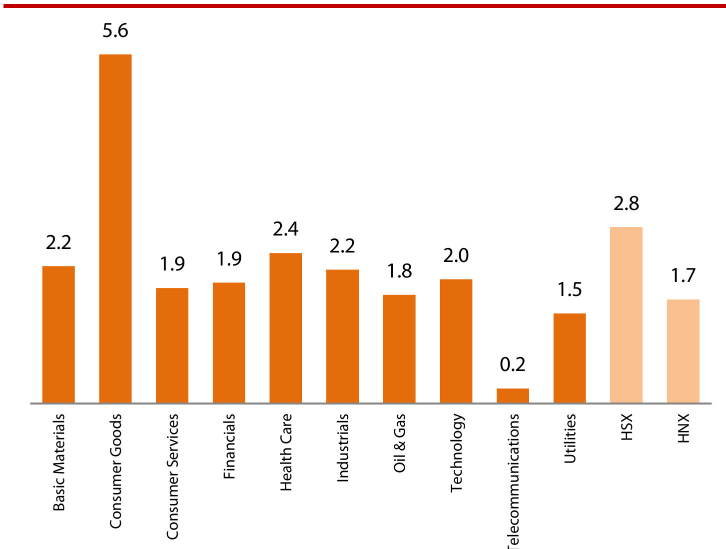
Source: RongViet Research

Industry PE comparison



Source: RongViet Research

Industry PB comparison



Source: RongViet Research

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