RONGVIET SECURITIES

SEPTEMBER

12

MONDAY

"As strange as the new tick size"

6 PM CALL

Market today: As strange as the new tick size

*(**Hieu Nguyen** – Ext: 1514)*

Contrary to the expectation, the tick size change actually confused the majority of market participants in the very first day, and contributed to the liquidity squeeze in the morning. VN30 lost 1.07% today with only 5 out of 30 stocks rose. Among the leading stocks, only VIC increased, but the degree was too weak to offset the negative influence of VNM, GAS and VCB. Not only VN30 dropped, but the majority of the market also performed poorly. Market breath was very narrow with only 65 gainers versus 190 losers, and most sectors lost points. VNIndex closed in red, decreased by 1.07 % to 659.76 points. Similarly, HNXIndex also fell 0.93 % to 83.68 points.

Last weekends, Van Eck Market Vector Vietnam ETF announced the quarterly index review results. For this 3Q/2016, VNM will be added while PVT and SHB will be deleted. MV Index Solutions explained that PVT and SHB would be deleted as both stocks were below 98th percentile based on free-float market capitalization. On the other hand, VNM is quite a surprise as we used to project that the stock would not be added due to its low free-float of 6.5% (less than the requirement of at least 10%). The discrepancy is explained by different methodologies. MVIS (MV Index Solutions) only blocks holders that have a holding above 5%, if the respective company does not have any foreign ownership restriction. Accordingly, as of 26/08/2016, free-float of VNM was calculated by using 100% minus 45% of SCIC and then minus 10% of F&N Dairy Investments Pte Ltd. Given the result of 45% free-float, VNM completely meets the requirements to be added to the basket. **In addition, for these stocks, Van Eck Market Vector Vietnam ETF will buy 4 million shares of VNM while sell 11,1 million shares of PVT and 21.7 million shares of SHB.**

As the stock markets around the world plummeted, Vietnam stock market was not an exception. The decline today once again brought VNIndex back to below 660 points, but the 650 support level is still there to be rely on. Moreover, as mentioned in our September Investment Strategy, we have not noticed any factors that can potentially lead to a significantly decrease. VNIndex, therefore, will probably continue to move around this zone.

Analyst Pin-board

High infrastructure investment need in Dong Nai province

*(**Hoang Nguyen** – Ext: 1319)*

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RONG VIET NEWS

COMPANY REPORTS	Issued Date	Recommend	Target Price
PGI - Strong financial status with improving business results	September 09th, 2016	Neutral	20,256
VEAM- Equitisation to boost restructuring progress	September 07th, 2016	N/a	17,500
FPT - Higher valuation thanks to business restructuring	September 05th, 2016	Buy – Long term	58,000
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

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	09/09/2016	0.2% - 1%	0.5%-1.5%	29,247	29,080	0.57%
VF4	08/09/2016	0.2% - 1%	0%-1.5%	12,962	12,953	0.07%
VFA	26/08/2016	0.2% - 1%	0%-1.5%	6,563	6,604	-0.62%
VFB	26/08/2016	0.3% - 0.6%	0%-1%	13,344	13,282	0.47%
ENF	26/08/2016	0% - 3%	0%	14,251	14,223	0.20%
MBVF	01/09/2016	1%	0%-1%	11,794	11,559	2.03%
MBBF	31/08/2016	0%-0.5%	0%-1%	13,080	13,052	0.21%
VF1	09/09/2016	0.2% - 1%	0.5%-1.5%	29,247	29,080	0.57%
VF4	08/09/2016	0.2% - 1%	0%-1.5%	12,962	12,953	0.07%

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