RONGVIET SECURITIES

JUN

24

FRIDAY

"Unexpected! "

6 PM CALL

Market today: Unexpected!

(Tuan Huynh - Ext:1318)

The result of Brexit caused major disappointment in many investors who expect UK to stay. However, around 52% of British people chose to leave the EU. With this shocking news, financial markets around the world have taken a hit; not just Vietnam market. VNIndex had lost 35 points (the highest drop in the past 5 years). Besides, cash flows also surged unbelievably to over VND8,000 billion. This huge demand helped VNIndex to rally by over 20pts and closed at 620.77 pts, just about 11pts lower than yesterday closed.

However, there are some differences between today session and previous shocking sessions. Today session's liqudity was relatively higher than and the intraday rally was also better than previous shocks. High liquidity came from repurchasing activities of investors who had sold in the morning session since they worried to face apportunity cost if stocks rallied in next week. This activities seemed to be affected by their behaviral bias that boldly upward trendy stocks may make investors to become less prudent in analysing impacts of Brexit in their buying decisions. Besides, these activities may also come from the fact that the Brexit shock's impact was less obvious and straight than previous shocks (the East Sea, crude oil or yuan depriciation shock) so investors accepted risk tolerance more easily.

Today, a few major currencies like GBP, EUR, JPY saw extremely high volatility. Consequently, foreign currency volatility usually affects on enterprise operations in long term (foreign currency debt payment and competitive against foreign products). Specificlly, If EUR continues to depreciate, some companies which borrowed EUR debt will benefit like electrical power firm (NT2), building material (HT1, BCC). Appreciation in JPY will leverage revenue of companies having business in Japan, typically FPT.

Brexit is nearly a new concept in global economy so it is not easy to evaluate extractly its consequences in just one or two days. Therefore, it seems to be acceptable for low risk tolerance investors to sell in today session. Otherwise, media associated with this shock – Brexit this weekends would proabably affect investors' sentiment next week. Also, transactions in other popular markets would direct Vietnam market movements in next sessions.

Analyst Pin-board

Brexit: The terror from within UK and its effect on Vietnam

(***Ha My Tran*** *- Ext: 1309)*

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

Recommendations:

The market went down in extreme panic but then recovered significantly when VN-Index met its strong support zone around 600. The liquidity made historical high. The intermediate- term uptrend is now questionable and trader should lower the stock/cash ratio and wait for a few sessions.

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/ Loose	Duration
VGC	13.6	**Sell**	09/06/2016	16.2	18.0		14.7	24-06-2016	14.6	-9.88%	Intermediate
MCG	2.9	**Sell**	02/06/2016	3.3	4.0		3.0	24-06-2016	3.0	-9.09%	Intermediate
NT2	34.8	**Hold**	02/06/2016	31.2	35.0		29.5			11.54%	Intermediate
PDB	26.5	**Hold**	13/05/2016	25.9	28.5		24			2.32%	Intermediate
ITD	33.8	**Sell**	11/03/2016	17.7	21.0		16	24-06-2016	33.8	90.96%	Intermediate
BCC	15.5	**Hold**	22/01/2016	13.7	15.0		12.5			13.14%	Intermediate
LHC	52.5	**Hold**	21/08/2015	40.5	49.0		37			26.51%	Long

Notes:

- **Buying Price** is the Close Price at Buying date. **Selling Price** may be the Target Price, Cutloss 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.

COMPANY REPORTS	Issued Date	Recommend	Target Price
TCL - Expecting ICD Nhon Trach to drive earnings growth	June 16th, 2016	Accumualte – Long term	34,000
PGS - CNG divestment improves PGS's financial capability	May 26th, 2016	Accumulate – Intermediate	20,600
REE - Unwavering long-term prospect	May 18th, 2016	Accumulate – Long term	26,800
PPC – Stability	May 17th, 2016	Neutral – Long term	19,100
PLC - Expect better business results in Q22016	May 16th, 2016	Accumulate – Intermediate	32,300

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	10/05/2016	0.2% - 1%	0.5%-1.5%	25,104	25,156	-0.21%
VF4	10/05/2016	0.2% - 1%	0%-1.5%	11,252	11,258	-0.06%
VFA	06/05/2016	0.2% - 1%	0%-1.5%	6,835	6,782	0.78%
VFB	06/05/2016	0.3% - 0.6%	0%-1%	12,893	12,872	0.16%
ENF	06/05/2016	0% - 3%	0%	12,687	12,587	0.79%
MBVF	05/05/2016	1%	0%-1%	11,238	11,269	-0.28%
MBBF	04/05/2016	0%-0.5%	0%-1%	12,686	12,671	0.12%
VF1	10/05/2016	0.2% - 1%	0.5%-1.5%	25,104	25,156	-0.21%
VF4	10/05/2016	0.2% - 1%	0%-1.5%	11,252	11,258	-0.06%

ANALYSTS

Truc Doan – Head of Research

+ 84 8 6299 2006 | Ext: 1308

truc.dtt@vdsc.com.vn

Ha My Tran – Deputy Manager

+ 84 8 6299 2006 | Ext: 1309

my.tth@vdsc.com.vn

Tai Nguyen – Deputy Manager

+ 84 8 6299 2006 | Ext: 1310

tai.ntp@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

Thien Bui

+ 84 8 6299 2006 | Ext: 1321

Thien.bv@vdsc.com.vn

Kien Nguyen

+ 84 8 6299 2006 | Ext: 1320

Kien.nt@vdsc.com.vn

Hoang Nguyen

+ 84 8 6299 2006 | Ext: 1319

Hoang.nh@vdsc.com.vn

HEAD OFFICE

141 Nguyen Du St., Dist. 1, HCMC

T +84 8 6299 2006
F +84 8 6299 7986
E info@vdsc.com.vn
W www.vdsc.com.vn

HA NOI BRANCH

2C Thai Phien St., Hai Ba Trung Dist.,
Ha Noi City

T +84 8 6288 2006
F +84 8 6288 2008
E info@vdsc.com.vn
W www.vdsc.com.vn

NHA TRANG BRANCH

50 Bis Yersin, Nha Trang City

T +84 058 3820 006
F +84 058 3820 008
E info@vdsc.com.vn
W www.vdsc.com.vn

CAN THO BRANCH

95-97-99 Vo Van Tan St., 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