RONGVIET SECURITIES

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"Specific stories"

6 PM CALL

Market today: *Specific stories*

*(**Thien Bui** - Ext: 1321)*

The gain and high liquidity were recognized as highlights in today's session. Total trading volumes on both bourses reached nearly 209 million shares, equivalent to VND3.000 billion and recorded the highest rate since the beginning of the year. Noticeably, HNG and MBB contributed the most trading volumes today.

Foreign investors were remarkably net-buying with total value of VND230 billion. Similarly, net trading value of domestic investors increased to VND2,000 billion; if excluding significant trading values of MBB, the rate was still higher than the average of VND1,100- 1,400 billion within early 2016.

Domestic and foreign investors are having different views in the market now. While some of domestic investors made audacious decisions to bottom fish HNG @VND7,800 constituting reportedly 98.75% of the stock's daily trading value and nicely be awarded 12%-14% return as the session closed, we advise remaining investors to continue monitoring until concrete "stock story" has been confirmed. On the other hand, foreign investors take a more cautious move to buy in MBB today with foreign cash flow participation making up 40% of this stock's total trading.

The market sentiment has been quite optimistic regarding MBB's foreign ownership cap lift to 20% (previously 10%). At the session closing, MBB price went up 4%, with over 19 million shares traded, in which foreigners held a buy position of approximately 17 million shares (OTC: 2 million shares). On MBB's foreign ownership limit, it was initially set at 10% (instead of the legal maximum rate of 30%), as the bank had aimed to approach foreign strategic shareholders.

RongViet Research attributes the FOL lift from 10% to 20%, taking effect since February 19th 2016 to financial institutions (FIs)' divestment schedules whose MBB ownerships exceed 5% (the maximum rate issued in Circular 36). Two such institutions are JSC Bank for Foreign Trade of Vietnam (HSX: VCB) and Vietnam Maritime Commercial Joint Stock Bank (Maritime Bank), owning 7.16% and 8.74% MBB shares respectively. In case the two FIs hold MBB at the maximum rate of 5%, the ownership rates declines by 5.9%, equivalent to 94.4 million shares, which may enormously increase MBB share supply in the stock market. At the same time, the banking sector's shares have been under foreign institutional investors' close attention. Thus, MBB's FOL lift can make ways for them to own more, partly easing the pressure on MBB share price. Assuming all shares traded today were sold by VCB and Maritime Bank, there are 75 million share remaining, whereas FO room has been over 8.9%, sufficient for absorbing the remaining volume.

Currently, we have yet seen any catalysts for a strong bull. Firstly, for the first week after Tet holidays, VNIndex gained 2% but only 52% of total stocks increased whereas the majority was small cap stocks (accounted for 39%). Despite absorbing lots of capital inflows (63% of total inflows) compared to 23% of mid-cap and 14% of small-cap, only 6% of the gainers were large-cap stocks. From these figures, accumulating is still in progress. Besides, there are no signs of leading group currently. Instead, we saw gain in specific stocks with specific stories such as EVE and VHC with FOL lifting. Hence, the best strategy we recommend is carefully choosing stocks and temporary leaving out the general movement of market.

Analyst Pin-board

PVS – 2015 Business results along with the bumpy road of 2016

(***Kien Tran***- *Ext:1320)*

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

Vietnam trade activities slowed down in the early 2016

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

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

WEEKLY TECHNICAL VIEW

VN-Index

VN-Index added 9.28 points, or 1.7%, closed at 554.03. Trading volume increased strongly compared to previous stage.

After Tet holiday, VN-Index has become much more positive. The index broke out on high volumes and cut above its 26-day moving average. The EMA(26) also turned up itself.

After two weeks of struggling around 540 area, VN-Index went up strongly to form an intermediate-term uptrend. A short correction may come if VN-Index retests its EMA(26) at around 548.

Looking at technical indicators, both the MACD and the RSI remain bullish. The MACD went up far away from signal line while the RSI passed up 50.

HNX-Index

HNX-Index gained 0.91 points (or 1.18%), closed at 77.81. The liquidity rose significantly above average.

HNX-Index stayed above its 26-day moving average for sessions on high volumes. The EMA(26) turned up itself. These mean that the intermediate-term uptrend was formed on HNX-Index.

Looking at technical indicators, both the MACD and the RSI remain bullish. The ADX indicator shows that the uptrend of HNX-Index is developing.

The next target of HNX-Index is 79 area while the support level is 77.

Recommendation:

The market turned positive when the two indexes broke out on high volumes. An intermediate-term uptrend is developing and traders should hold stocks longer for higher targets.

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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
SSI	21.2	Hold	22/01/2016	19.6	21.5		17.5			8.16%	Intermediate
BCC	14.6	Hold	22/01/2016	13.7	15.0		12.5			6.57%	Intermediate
DVP	66.5	Hold	22/01/2016	64.0	70.0		60.5			3.91%	Intermediate
DNP	19.6	Hold	11/01/2016	20.0	24.0		18			-2.00%	Intermediate
HCM	27.4	Hold	11/01/2016	26.6	29.5		24			3.01%	Intermediate
AAA	15.0	Hold	08/01/2016	13.1	15.0	16.5	11.5			14.50%	Intermediate
VNE	12.1	Hold	08/01/2016	12.0	13.5		11			0.83%	Intermediate
NLG	23.5	Hold	10/08/2015	21.1	24.0		19.5			11.37%	Intermediate
MWG	74.0	Hold	10/06/2015	65.0	75.0	83.0	58			13.85%	Intermediate
LHC	48.0	Hold	21/08/2015	41.5	50.0		38			15.66%	Long-term
KSB	37.1	Hold	21/08/2015	25.9	28.5	36.5	26			43.24%	Intermediate

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.

RONG VIET NEWS

COMPANY REPORTS	Issued Date	Recommend	Target Price
HPG- An attractive price for the leading firm	January 15th, 2016	Buy – Long term	39,700
HAH - Effective performance is being undervalued	January 08th, 2016	Buy – Intermediate term	56,000
ELC- A new growth cycle	December 3rd, 2015	Buy – Long term	33,000
PPC- Positive core business	December 2nd, 2015	Neutral –Long term	21,100
DRC - Expecting on replacement segment	November 13th, 2015	Accumulate – Long term	52,000

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	08/01/2016	0.2% - 1%	0.5%-1.5%	23,081	23,460	-1.62%
VF4	08/01/2016	0.2% - 1%	0%-1.5%	10,474	10,662	-1.76%
VFA	07/01/2016	0.2% - 1%	0%-1.5%	6,929	7,172	-3.40%
VFB	07/01/2016	0.3% - 0.6%	0%-1%	12,631	12,622	0.07%
ENF	25/12/2015	0% - 3%	0%	11,966	12,094	-1.06%
MBVF	07/01/2016	1%	0%-1%	10,806	10,814	-0.07%
MBBF	07/01/2016	0%-0.5%	0%-1%	12,578	12,562	0.13%
VF1	08/01/2016	0.2% - 1%	0.5%-1.5%	23,081	23,460	-1.62%
VF4	08/01/2016	0.2% - 1%	0%-1.5%	10,474	10,662	-1.76%

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