Market today: Strong capital inflows – HIG comment

(Thien Bui - Ext:1321)

The market moved just like the beginning of the week: slow in the morning and accelerated as the session came to close. VNIndex, after 2 days of decline, slight increased and approached 660 resistance level. Similarly, HNX increased by 0.31 points to 83.76 points. Total turnover value of 2 exchanges surged to over VND 3,300 billion.

The market rose today partly due to the news that the Government and Ministries meet to discuss the divestment in 10 enterprises. React to the news, **price of these stocks (BMI, VNR, HGM, NTG, BMP, VNM and FPT)** significantly increased. **Besides these stocks, Plastic, Insurance and Rubber stocks also rose today.**

The market in general did not change much as compared to the beginning of this week. *The large-cap stocks were up and down alternately, leading to narrow movements of the indexes. In addition, the mid-cap and small-cap stocks continued to attract cash flow, particularly the pharmaceutical sector as mentioned above.*

Another interesting story is that HIG BOM decided to repurchase 10% shares of each shareholder at the price of VND 20,000 per share without trading price adjustment although the stock price previously was only VND 7,000 per share. In fact, 2016 AGM in mid-April adopted this plan. Recent announcement of the settlement date helped HIG experience the most memorable trading session since its initial listing day with total order-matching value of more than 1 million units of which the ceiling-price order-matching value was over 971,000 units.

"Strong capital inflows – HIG comment"

The reason behind this share repurchase is that HIG would like to return surplus capital to shareholders. We think this method is the same as HIG paying cash dividend. For example, at the market price of VND7,000, each investor will receive VND1,300 of cash dividend per share, which is equivalent to a dividend yield of 18.57%. **We think the most acceptable dividend yield at this time should be 7%; hence, market price of HIG shall be VND11,800/share.**

Note: *formula to calculate dividend yield of HIG (A is represented for market price of HIG):*

$$\frac{0,1\ x\ (20,000 - A)}{A}$$

In summary, HIG is on a restructure process, aiming for niche market of integrated information technology system instead of competing directly to big player FPT IS. As we have yet completed any deep analysis on HIG, this 6pm call report shall only state some of our views of market trading activities at HIG.

Analyst Pin-board

VSC – Vip Greeport makes profit earlier than expected

***(Hoang Nguyen** – Ext: 1319)*

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

IMP – Company report

***(Hieu Nguyen** – Ext: 1514)*

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RONG VIET NEWS

COMPANY REPORTS	Issued Date	Recommend	Target Price
IMP - Growth engines from the EU - GMP factories	Agust 16th, 2016	Neutral – Long term	50,400
SRF - Making full use of industry growth	August 4th, 2016	Accumualte – Long term	32,100
ITD - Growth dynamics from development of transport infrastructure	July 28th, 2016	Buy - Intermediate	34,900
NCT – Strong air freight outlook is the key	July 20th, 2016	Accumualte – Long term	140,000
BCI - Gold in land	July 07th, 2016	Accumualte – Long term	28,400

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	09/08/2016	0.2% - 1%	0.5%-1.5%	27,413	27,341	0.26%
VF4	09/08/2016	0.2% - 1%	0%-1.5%	12,186	12,184	0.02%
VFA	05/08/2016	0.2% - 1%	0%-1.5%	6,667	6,775	-1.59%
VFB	05/08/2016	0.3% - 0.6%	0%-1%	13,161	13,162	-0.01%
ENF	05/08/2016	0% - 3%	0%	13,634	13,952	-2.28%
MBVF	28/07/2016	1%	0%-1%	11,564	11,632	-0.58%
MBBF	27/07/2016	0%-0.5%	0%-1%	13,021	12,982	0.30%
VF1	09/08/2016	0.2% - 1%	0.5%-1.5%	27,413	27,341	0.26%
VF4	09/08/2016	0.2% - 1%	0%-1.5%	12,186	12,184	0.02%

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