RONGVIET SECURITIES

SEPTEMBER

05

MONDAY

6 PM CALL

Market today: Blue chips caused VNIndex to lose points

*(**Hieu Nguyen** – Ext: 1514)*

Last weekend, the db x-trackers FTSE Vietnam ETF fund has announced its revised portfolio in Q3/2016, in which **VNM and HSG have been added**. Accordingly, to make room for these 2 stocks, the fund will have to sell others in its list (more results can be found at https://vdsc.com.vn/en/diaryDetail.rv?diaryId=329). Stocks being sold most, as we calculated, include HPG (6.49 million shares) and SSI (6.79 million shares). Today many blue chips were sold strongly by foreign investors. However, we cannot conclude whether it was the action of db x-trackers FTSE Vietnam ETF fund, as history shown that the fund tends to trade heavily in ATC session on the 3rd Friday of the month (i.e next September 18).

In another news, As VCB privately issued 7.73% of its charter capital for GIC, foreign ownership in this company would increase to approximately 30%. Therefore, **it is likely that 2 ETFs will removed VCB from their portfolio in the subsequent review**. This could be the reason why the market seemed to lose interest in VCB recently, as it was heavily sold by foreigners, and at the same time received low demand from domestic investors.

"Blue chips caused VNIndex to lose points"

And in the day that the blue chips were heavily sold, particularly in the morning session (apart from the conclusion whether or not FTSE participated in this trading session), it was inevitable for VNIndex to decline. There was a deep decrease of 1.33% in the morning; however, VNM turned back to reference price in the afternoon session, narrowing the downside of VNIndex. At close, VNIndex lost only 0.69% to 664.55 points. Thanks to the buying demand as the blue chips went down, and the active trade of steel, pharmaceutical, construction-material stocks, market liquidity improved compared to last week. Liquidity in HSX in terms of matching order was 103 million shares, equivalent to a total trading value of VND 2,500 billion.

MoET has just announced a preliminary AD duty on imported coated steel (non-alloyed flat steel, galvanised, galvalumed, hot-dipped) from China (including Hong Kong) and Korea, in which the highest duty reaches 38.34% for 120 days. Coated steel imports from the two nations went up by 40 times in the most recent 4 years, while their sales prices during the period of investigation, thus the duty is expected to protect the local producers by narrowing the gap between domestic and oversea product prices. **As a result, major coated steel makers such as HSG, NKG and DTL are going to benefit from the supported ASPs in the short term**, while waiting for a final determination which can extend the effective period. Today, stock price of these companies both rose (HSG +2.3%, NKG +1.4%, and DTL +1.9%)

Regarding world news, the annual G20 economic summit had opened in Hangzhou, China last weekend. Besides economic issues, the issue of territorial disputes, particularly in the South China Sea, will likely also be discussed. Overall, the meeting will probably have no groundbreaking deal, and might not have too much impact on Vietnam stock market.

Analyst Pin-board

FPT – Company Report

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Hanjin shipping lines case and possible impacts

*(**Hoang Nguyen** – Ext: 1319)*

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SKG – Leapfrogging to success

*(**Kien Nguyen** – Ext: 1320)*

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RONG VIET NEWS

COMPANY REPORTS	Issued Date	Recommend	Target Price
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
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

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	25/08/2016	0.2% - 1%	0.5%-1.5%	28,774	28,778	-0.01%
VF4	25/08/2016	0.2% - 1%	0%-1.5%	12,793	12,816	-0.18%
VFA	19/08/2016	0.2% - 1%	0%-1.5%	6,604	6,630	-0.39%
VFB	19/08/2016	0.3% - 0.6%	0%-1%	13,282	13,213	0.52%
ENF	19/08/2016	0% - 3%	0%	14,223	13,974	1.78%
MBVF	18/08/2016	1%	0%-1%	11,598	11,513	0.74%
MBBF	17/08/2016	0%-0.5%	0%-1%	13,072	13,054	0.14%
VF1	25/08/2016	0.2% - 1%	0.5%-1.5%	28,774	28,778	-0.01%
VF4	25/08/2016	0.2% - 1%	0%-1.5%	12,793	12,816	-0.18%

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