



AUGUST

6 PM CALL

11

THURSDAY

*“Strong
performance of
VNM and VCB”*

Market today: Strong performance of VNM and VCB.

(Hieu Nguyen - Ext:1514)

People kept an eye to the market today with wondering about whether VNIndex could break the 650 resistance level. The answer was up quite soon as the index rose casually 5 points in the morning thanks to large-cap stocks. In a day that VNM and VCB outperformed the market, VNIndex kept the momentum and exceeded 660 points at the end of the trading session. Close at 660.24 points (up 1.84%) with total turnover value of VND 2,500 billion, VNIndex reminded people of the excitement back in mid-July.

Besides the increase of Steel, Real Estate or Pharmaceutical stocks, speculating stocks such as HHS, JVC or OGC also went ceiling today despite their negative earnings results. In a day like this, it seems that stocks may not need a reason to rise. There are still outliers, however. Price of DRH and TTF continued to reach the floor and still saw no sign of recovery.

Another strong gain today with increasing liquidity implies that market could continue to move higher. It's such a surprise when market increased more than 6% after only 4 days. The possibility that market could approach year-to-date high of 681 will depend on movements of large cap stocks. Beside VNM and HPG are looking forward to new higher prices, VCB, CTG and BID could be factors that push VNIndex forward.

Macro updates

Today, the State Bank of Vietnam (SBV) announced data on monetary operation in July. Accordingly, the total means of payment increased by 9.45%, capital mobilization surged by 9.94% while credit rose by 8.54% compared to those of the end of 2015. The difference between the money supply and credit growth maintained positive, indicating a redundant liquidity of banking system. In addition, the zero interest rate for USD-nominated deposit caused a negative growth (-6.25%YTD) for mobilizing USD in the first half of the year. Meanwhile, the SBV has continuously bought USD to increase foreign exchange reserves during recent months.

According to the SBV, the NPL ratio fell slightly to 2.58% in June 2016, mainly due to accelerated credit growth (from 5.49% in May to 8.16% in June). The pace of solving bad debts has slowed down in the first half, total solved bad debts were about 59,710 billion dong, down 15% yoy. Overall, the latest data shows that the liquidity of banking remained stable, the pressure of solving bad debts is no longer as high as the previous period, but this process will last long.

Analyst Pin-board

PAC – 1H2016 earnings result update

(Ngoan Phung – Ext: 1516)

If you are interested in this content, please click [here](#) to view more detail.

Recommendations:

The market soared on high volumes. The long-term uptrend of VN-Index and HNX-Index remain solid. Traders may take profit partly when VN-Index approaches its previous peak at around 670 and then wait for correction.

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	15.5	Hold	26/07/2016	13.9	18.0		13.0			14.81%	Long
KBC	17.9	Hold	18/07/2016	16.8	18.0		15.5			7.14%	Intermediate
CTI	27.7	Hold	18/07/2016	26.7	29.0		25			3.75%	Intermediate
LHC	63.4	Hold	21/08/2015	41.5	49.0	70.0	58			52.77%	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.

RONG VIET NEWS

COMPANY REPORTS	Issued Date	Recommend	Target Price
SRF - Making full use of industry growth	August 4 th , 2016	Accumualte – Long term	32,100
ITD - Growth dynamics from development of transport infrastructure	July 28 th , 2016	Buy - Intermediate	34,900
NCT – Strong air freight outlook is the key	July 20 th , 2016	Accumualte – Long term	140,000
BCI - Gold in land	July 07 th , 2016	Accumualte – Long term	28,400
PAC - Profit driver from replacement segment	July 04 th , 2016	REDUCE – Intermediate	36,600

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	29/07/2016	0.2% - 1%	0.5%-1.5%	27,888	27,747	0.51%
VF4	29/07/2016	0.2% - 1%	0%-1.5%	12,477	12,413	0.52%
VFA	29/07/2016	0.2% - 1%	0%-1.5%	6,775	6,802	-0.40%
VFB	29/07/2016	0.3% - 0.6%	0%-1%	13,162	13,128	0.26%
ENF	22/07/2016	0% - 3%	0%	13,892	13,979	-0.62%
MBVF	21/07/2016	1%	0%-1%	11,632	11,671	-0.33%
MBBF	27/07/2016	0%-0.5%	0%-1%	13,021	12,982	0.30%
VF1	29/07/2016	0.2% - 1%	0.5%-1.5%	27,888	27,747	0.51%
VF4	29/07/2016	0.2% - 1%	0%-1.5%	12,477	12,413	0.52%

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