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TUESDAY

“One single session could not create substantial change for markets”

- **One single session could not create substantial change for markets**
- **Automotive industry update - Sale volume of 11M exceeded annual plan target**

One single session could not create substantial change for markets

3 ups and 3 downs in current sideway trend. VNIndex recorded an increase of 5.78 point, closed at 568 point; while HNIndex moved in a narrow edge and slightly rose 0.15 point to 78.9 point. The total trading volume in both bourses was as same as last session, reached 134 million units. (total matching volume was 154 billion shares, increased by 16%, but we excluded “sudden” transaction of DLG, ~ 20 million shares).

Strong sell of BID at ATC with total volumes of more than 2 million (but only around 100,000 shares matched). Until 14/12, there are still 6 million unwanted shares of BID in VNM ETF’s portfolio due to mistaken free-float calculation of last quarter review. We think the sell side appeared during ATC could be that VNM ETF as the fund wanted to delete BID completely. Although current price of BID was equivalent to the lowest one in August, under the scenario of strong sell from ETF, the demand – supply cannot reach a suitable balance for trading. Therefore, more observations need to be done for right timing.

Foreign investors today just extended the net-selling streak in December on HSX at VND90 billion. Conversely, they barely net bought on HNX at VN 1billion for the second consecutive day. We believe foreign investors' buying activity could only return after these following matters appeased: (1) the appreciation of USD against other currencies, (2) FED rate hiking possibility and (3) ETF's restructuring period.

Buyers still hesitated to open massive short positions but have agreed to bargain at higher prices. Some evidences are liquidity remained unchanged; difference between closed and highest intraday price narrowed to 1.4% compared to that of yesterday 1.53%, which is an implication of higher bid prices; blue-chips are becoming more stable. The market is considered stable even though FOMC meeting is getting closer and USD/VND is trading around the allowed given maximum values. In our opinion, there is a group of investors already change their mind on evaluation on risk and returns and ready to be back on the market.

One single session could not create substantial change for markets. So far, there haven’t any certain signs of a potential reversal for a new uptrend instead of only sideway movements. The opportunities only appeared in some specific stocks. Markets need more stable or even positive sessions to well observe sentiments of investors. The more confidently investors react, the higher liquidity and stronger price accumulation. Only significant impact on volumes and prices could draw attention of prudent investors.

Update to the Quarterly Index Review Announcement Q4/2015 published on 11 December 2015

MVIS made announcement on adjustment of Quarterly Index Review Q4/2015 for the float shares of KDC. Total float shares are adjusted from 117.5 thousand shares to 63.5 thousand shares. Due to lower free-float, KDC now accounts for only 3.17% instead of previous 5% of total NAV. Hereunder is the new projected long/short volumes:

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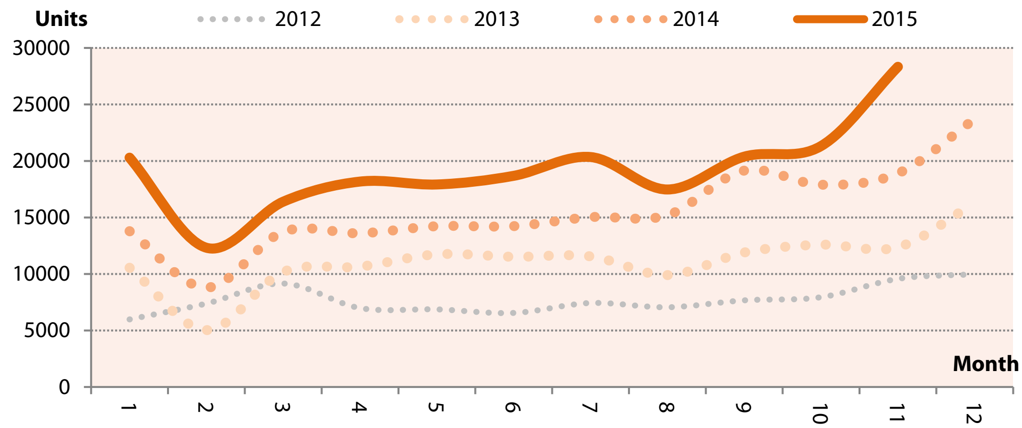
VNM		
No.	**Ticker**	**Estimated long/short volumes**
1	VIC	(490,332)
2	VCB	1,003,963
3	MSN	897,321
4	STB	407,637
5	BVH	(3,155,902)
6	DPM	(2,107,655)
7	HAG	6,676,438
8	NT2	(3,844,731)
9	PVS	(134,570)
10	ITA	(4,427,218)
11	PVD	(81,511)
12	FLC	(4,879,209)
13	SSI	16,435,937
14	SHB	(3,620,028)
15	KDC	592,259
16	PPC	(1,210,625)
17	KBC	(2,985,215)
18	PVT	(329,042)
19	VCG	3,215,489
20	**HHS**	**8,575,616**
21	**HPG**	**12,250,880**
	IJC	**(10,870,990)**

Automotive industry update - Sale volume of 11M exceeded annual plan target

Recently, VAMA just published its November Monthly Report on Automotive Industry. Total sale volume of automotive industry reached 215,597 cars, exceeded 2.77% annual plan target and 30% y-o-y. In particular, passenger cars reached 126,597 cars (+45,1% y-o-y), commercial vehicle achieved 77,880 cars while SUV/MPV/Cross Over reached 11,034 cars (+109% y-o-y).

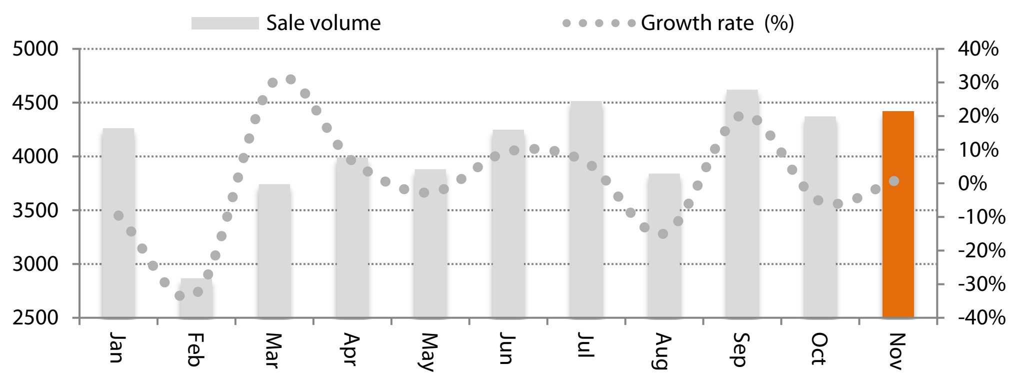
Similarly, 5 top car manufacturers including Toyota, Thaco, Kia, Mazda and Ford, which is accounts for 70% market shares, recorded a positive growth rate in November 2015. Notably, sale growth of "big brother" Toyota recorded a recovery with growth rate (+1%) in November 2015, after a 5% reduction growth rate in October. The sale volume movement of Toyota is expected and similar to our prediction in the previous advisory diary. Particularly, in October, Toyota suffered a decrease in sale volume due to its adjustment price in all car lines (+4% selling price). However, since the absolute increase is relatively small compared with the whole car selling price, the negative affect could only last for a month.

Exhibit: Sale volume of automotive industry from 2012-2015



Source: VAMA, RongViet Research

Exhibit: Sale volume growth rate of Toyota in 11M2015

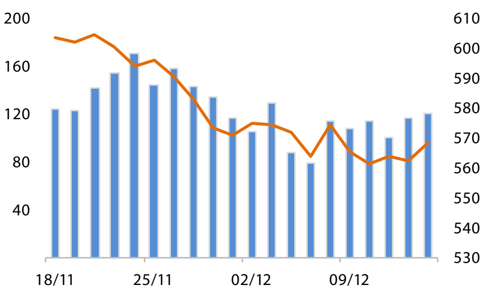


Source:VAMA, RongViet Research

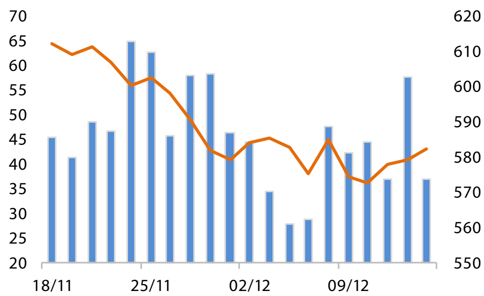
With the above analysis, we still believe that there will be a divergence between commercial vehicle and passenger cars in the upcoming year. Specifically, we expect a reduction in sale growth of commercial vehicle due to (1) the adjustment for import tariffs of certain truck types, which will officially apply since 20th December 2015 and (2) supply exceeds demands since there was a big jump in this line since 2014. Thus, most of the companies already finished convert the old to new truck at the end of 2015.

Meanwhile, passenger cars tend to have a peak selling month in December. Based on the historical data, in the last 3 years, December always ranked either first or second month in sale volume of passenger cars. Furthermore, another favorable factor for passenger car outlook is the trade agreement ATIGA as car import tariff for Asean countries would be reduced from 50% in 2015 to 40% in 2016.

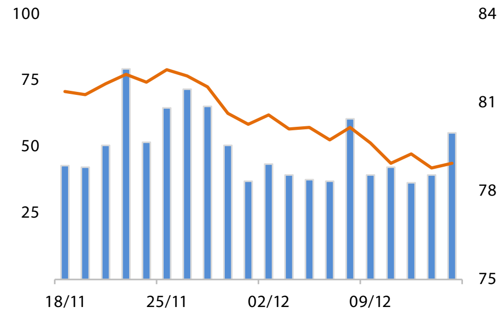
VNINDEX 1.03% **568.00**



VN30 0.49% **582.28**

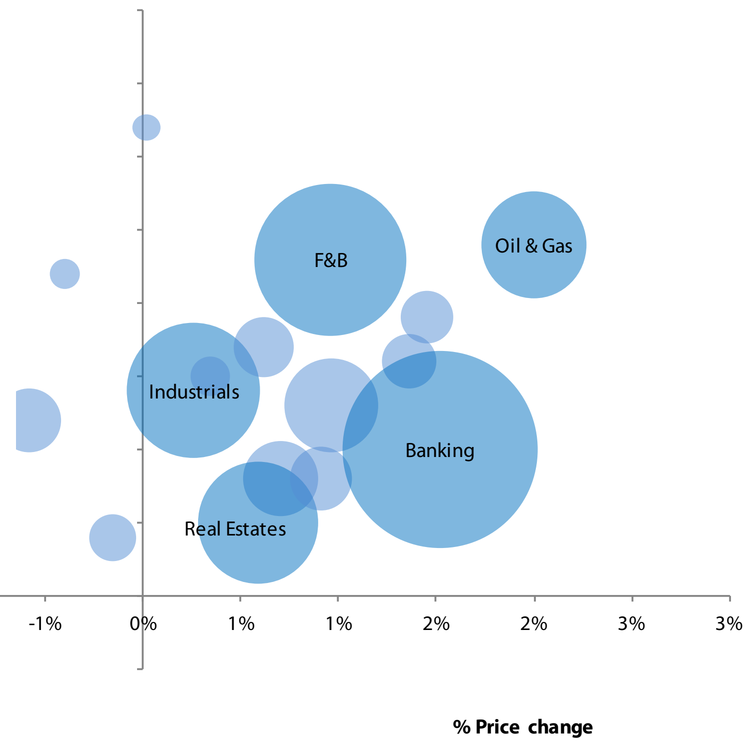


HNXINDEX 0.19% **78.90**

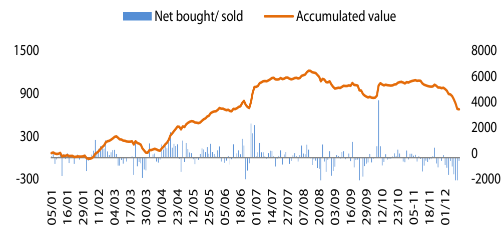


Industry Movement

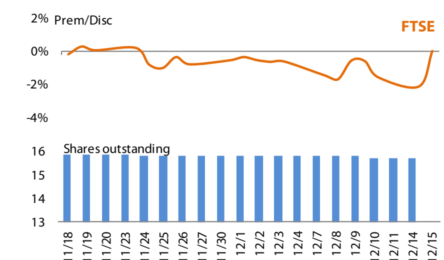
Industry	% change
Technologies	1.4%
Industrials	0.3%
Constructions	1.0%
Oil & Gas	2.0%
Distribution	0.0%
F&B	1.0%
Household Goods	1.4%
Cars & Parts	-0.4%
Chemicals	-0.6%
Resources	-0.2%
Insurances	0.7%
Real Estates	0.6%
Financials	0.9%
Banking	1.5%
Utilities	0.6%
Healthcare	0.3%

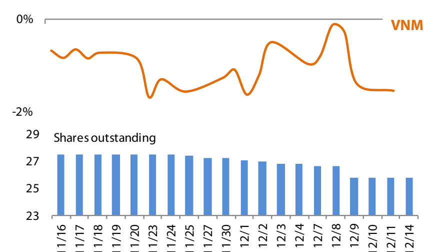


Foreign Investors Trading

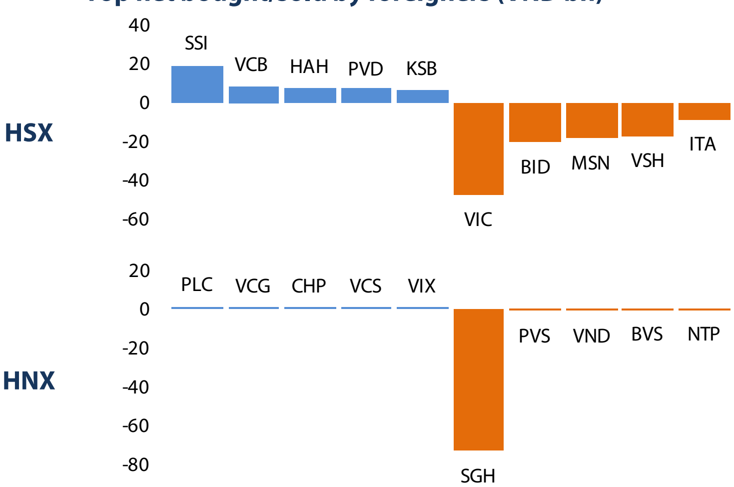


ETF





Top net bought/sold by foreigners (VND bn)



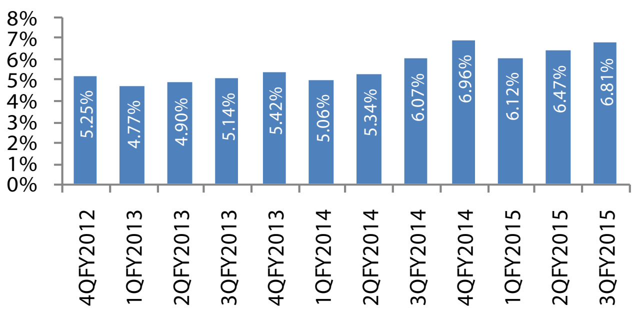
Top Active

Ticker	Price	Volume	% price change
DLG	6.6	25.18	-2.9%
FLC	8.2	7.78	2.5%
ITA	5.8	3.09	1.8%
HQC	5.7	2.92	0.0%
HAG	11.6	2.79	0.0%

Ticker	Price	Volume	% price change
TIG	11.9	3.37	1.7%
KHB	4.1	1.51	-4.7%
KSQ	3.1	1.19	-8.8%
SCR	8.2	0.88	1.2%
SHN	13.5	0.87	4.7%

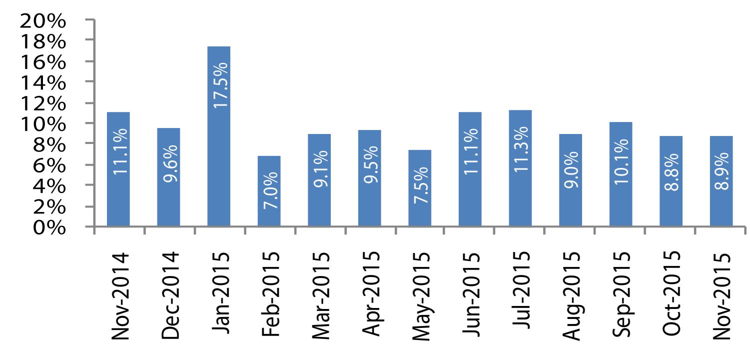
MACRO WATCH

Graph 1: GDP Growth



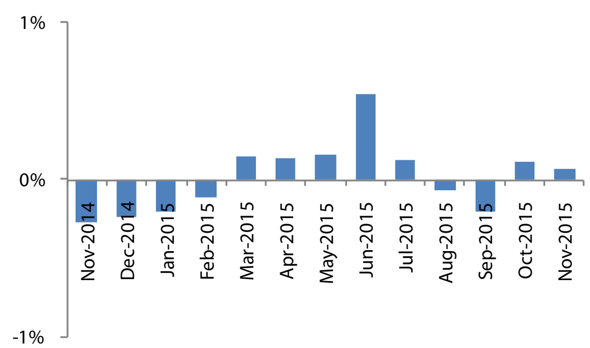
Sources: GSO. Rongviet Securities database
(*) Comparision price in 1994

Graph 2: IIP



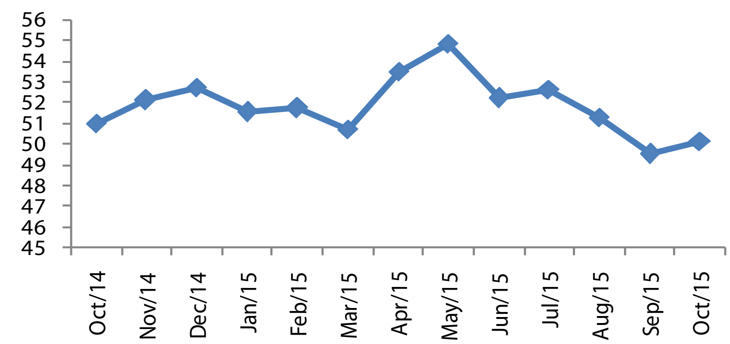
Sources: GSO. Rongviet Securities database

Graph 3: Monthly CPI



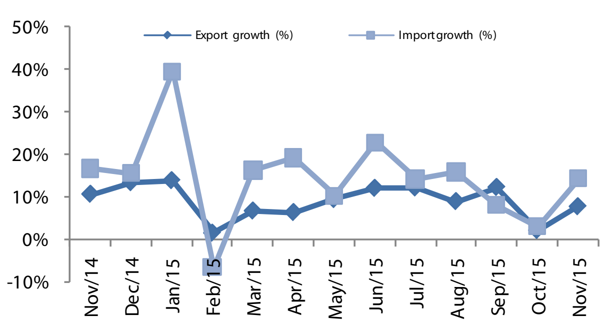
Sources: GSO. Rongviet Securities database

Graph 4: HSBC - PMI



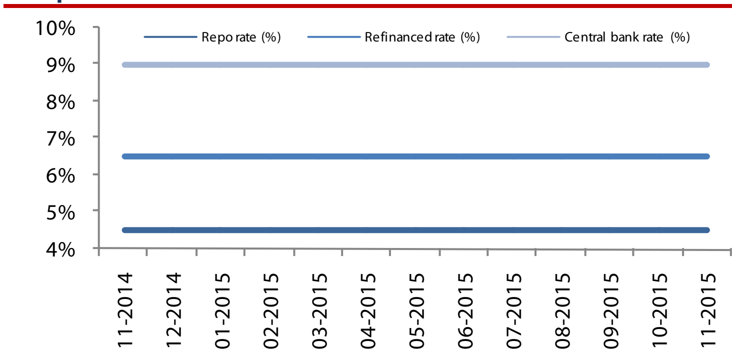
Sources: GSO. Rongviet Securities database

Graph 5: Trade Growth



Sources: GSO. Rongviet Securities database

Graph 6: Interest



Sources: SBV. Rongviet Securities database

RONG VIET NEWS

COMPANY REPORTS	Issued Date	Recommend	Target Price
LHG - In the right time, in the right place	November 17th, 2015	Buy – Long term	25,700
DRC - Expecting on replacement segment	November 13th, 2015	Accumulate – Long term	52,000
NKG- Capital ravels to be untangled	November 6th, 2015	Neutral – Intermediate term	17,400
DMC - Restructuring sparks positive changes	October 30th, 2015	Accumulate – Intermediate term	49,000
HSG - New investments: The engine of growth	October 29th, 2015	Accumulate – Long term	52,500

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
VFF	17/11/2015	0% - 0.75%	0% - 2.5%	12,109	12,099	0.08%
VEOF	17/11/2015	0% - 0.75%	0% - 2.5%	10,276	10,663	0.59%
VF1	25/11/2015	0.2% - 1%	0.5%-1.5%	23,903	23,764	0.59%
VF4	25/11/2015	0.2% - 1%	0%-1.5%	10,847	10,768	0.74%
VFA	19/11/2015	0.2% - 1%	0%-1.5%	7,429	7,418	0.15%
VFB	19/11/2015	0.3% - 0.6%	0%-1%	12,523	12,506	0.14%
ENF	20/11/2015	0% - 3%	0%	12,225	12,156	0.57%
MBVF	19/11/2015	1%	0%-1%	10,740	10,902	-01.49%
MBBF	18/11/2015	0%-0.5%	0%-1%	12,494	12,485	0.07%

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