SEPTEMBER

07

MONDAY

ADVISORY DIARY

- **Story of Foreign Investors in August**

Story of Foreign Investors in August

Remembering the first few months of 2015, foreign investors' activities had been the factors that put the pressure into domestic investors' sentiments when the markets were continuously under net-sell position over the 2/3 months of Q1/2015. This could be from the concern about FED's increase interest rate that could negatively impact on emerging markets. However, since 4/2015, after the decision to delay the interest rate increase, foreign investors have come back to the net-buy position with 4 consecutive months with total value up to VND 5,564.5 billion.

In August, except the negative factors from global macro factors, especially when China devaluated Yuan, foreign investors once again stroke a critical blow into Vietnam stock markets with VND 316 billion of net-buy. According to our statistics, total net withdraw value of 2 ETFs of Van Eck and FTSE in August was VND 661.8 billion dong. However, if we exclude the effect of both ETFs, foreign investors have still been in net-buy position of VND 66 billion dong. Net selling trend reflected the significant concern of foreign investors about macro situation, including (1) FED increases interest rate in September, (2) TPP could not be finalized this year and (3) the stability of Vietnam economy when China economy slows down along with Chinese monetary policy.

"Story of Foreign Investors in August"

We noted food/agriculture group with tickers like (VND66.5 billion), HAG (VND227.3 billion), SBT (VND148.8 billion) and HNG (VND64.4 billion) have been seeing strong sale by foreign investors. In which, total sale value by ETF on HAG and KDC were not large at VND25 billion and VND14billion. This has shown persistent pessimistic sentiment from foreign investor community as a whole on commodity outlook specifically for agriculture products in the possibility of appreciating USD after the FED rate hike.

On the other hand, foreign investors' strong sale on real estate group last month was biased by VIC (total net sale value of VND158.9bil). Our analyst could justify that action on the large amount of USD denominated borrowings of this company rendering higher risk level in the short term.

In contrast, financial services sector including brokerage houses are receiving much of the current foreign investors' attention with a net buy value of VND111.6 billion last month. Circular 123 and brokerage houses' entire FOL (foreign ownership limit) lifting are seeing positive impacts now.

Besides, despite being net selling about VND67.3 billion in August, the banking sector is still net buying from January and from June, VND2,294 billion and VND991.8 billion respectively. Thereby, foreign investors may still optimistic about the prospects for resolving the bad debt and an improvement in earnings of the banking group in the long term.

According to our perspective, transactions of foreign investors in September will be clearer after the ETF reviews, as well as the Fed's crucial meeting to decide whether increase interest rate.

Concerning the possibility of the Fed decided to raise interest rates and assess the factors that may affect the stock market in September, investors can refer to our September Strategy Report released today.

Table: Net buying/selling of foreign investors by sector

Sector	From January	From June	August
Food	-256.2	-1284.9	-635.5
Oil Equipment, Services & Distribution	-155.6	117.1	-259.3
Real estate Investment & Services	864.5	-612.7	-152.4
Banking	2.294	991.8	-67.3
Oil & Gas Producers	-20.4	-0.4	-53.1
Non-life insurance	270.3	113.0	-32.5
Health Care Services & Medical Equipment	-26.9	-58.3	-26.9
Durable Household Products	170.1	-9.8	-10.7
Automotives & Equipments	1.7	-89.3	-9.6
General Mining	14.9	-23.2	-2.0
Forestry & Paper	17.5	17.3	-1.0
Industrial Metals & Mining	16.8	2.4	0.0
Business Support Services	31.9	13.9	0.1
Beverage	25.5	5.2	0.3
Tobacco	0.6	-0.8	0.5
Media	9.3	-1.7	1.0
Electronic Office Equipment	9.5	2.7	1.2
General Industrials	748.7	205.3	3.7
Pharmaceutical & Biology Technology	108.3	6.1	4.7
Travel & Entertainment	15.8	-9.1	5.5
Gas & Water & Multiutilities	82.1	-4.6	6.8
Non-durable Household Products	55.2	34.1	7.7
Software & Computer Services	81.6	23.0	17.3
Industrial Engineering	75.9	41.6	18.3
Electronic & Electrical Equipment	722.1	98.1	40.1
Logistics	212.3	216.6	43.6
Retail	598.9	4.1	65.1
Financial Services	1474.0	1230.7	111.6
Construction & Materials	1174.6	295.5	133.8
Chemical	486.7	397.3	149.5
Electricity	70.1	-167.9	160.0

Source: RongViet Research

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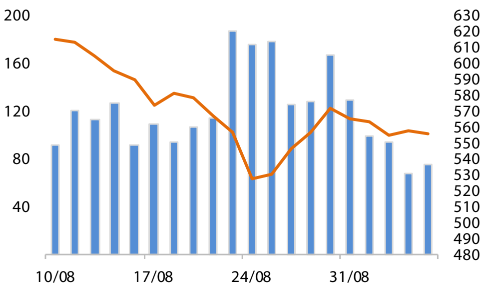
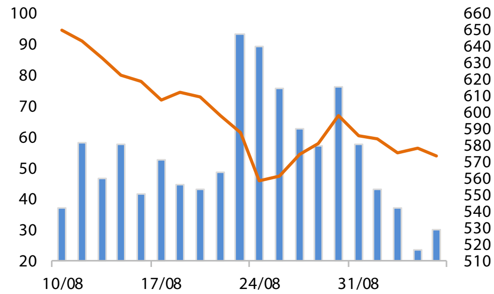
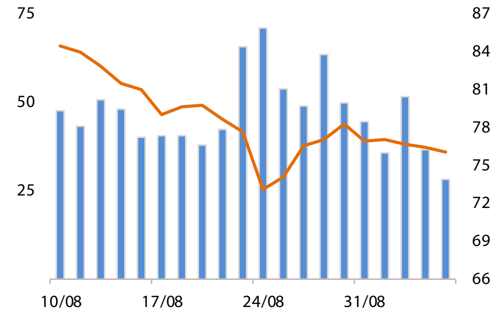
VNINDEX	-0.34%	554.93	VN30	-0.81%	574.09	HNXINDEX	-0.43%	75.99

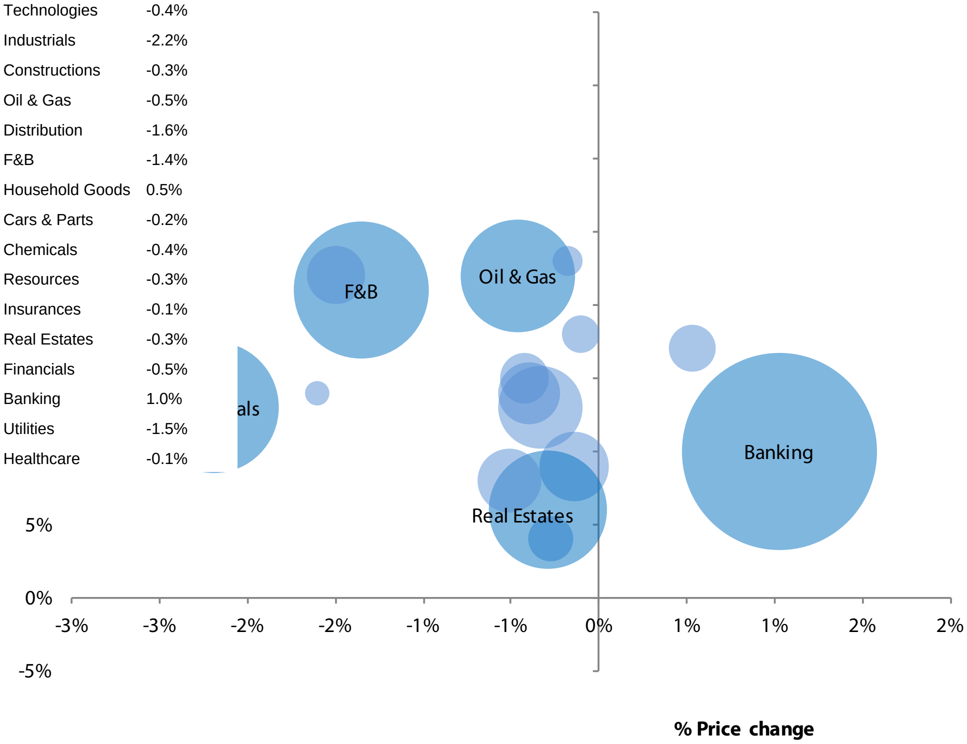




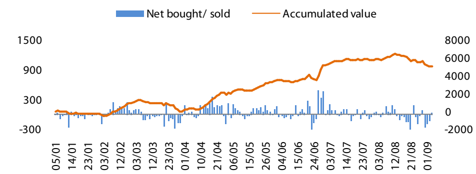


Industry Movement

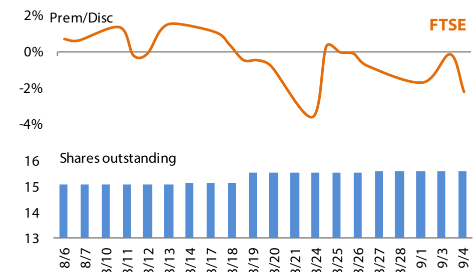
Industry	% change
Technologies	-0.4%
Industrials	-2.2%
Constructions	-0.3%
Oil & Gas	-0.5%
Distribution	-1.6%
F&B	-1.4%
Household Goods	0.5%
Cars & Parts	-0.2%
Chemicals	-0.4%
Resources	-0.3%
Insurances	-0.1%
Real Estates	-0.3%
Financials	-0.5%
Banking	1.0%
Utilities	-1.5%
Healthcare	-0.1%

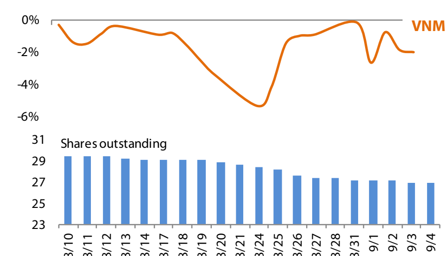


Foreign Investors Trading



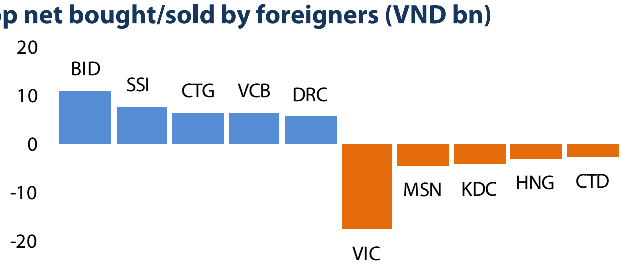
ETF



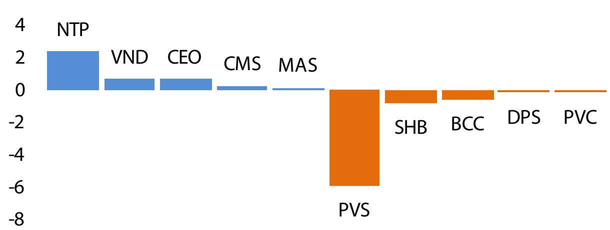


Top net bought/sold by foreigners (VND bn)

HSX



HNX



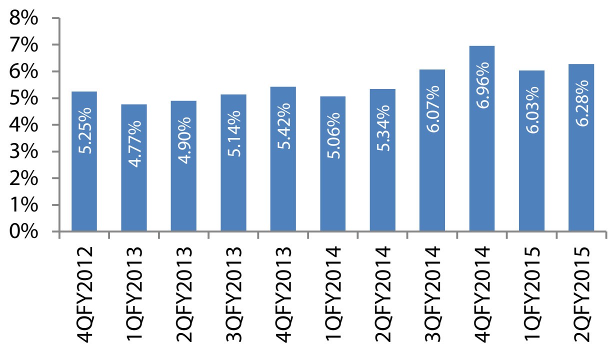
Top Active

Ticker	Price	Volume	% price change
FLC	6.4	0.05	-3.0%
VHG	8.0	0.04	2.6%
CII	23.0	0.04	1.8%
PDR	15.9	0.03	0.0%
SSI	24.7	0.03	0.8%

Ticker	Price	Volume	% price change
TIG	10.9	0.20	-3.5%
KVC	10.0	0.20	-3.8%
KLF	4.4	0.14	-2.2%
FID	18.1	0.11	-10.0%
PVS	20.5	0.11	-1.4%

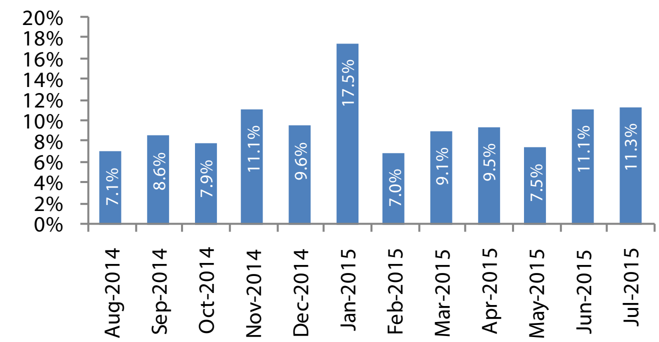
MACRO WATCH

Graph 1: GDP Growth



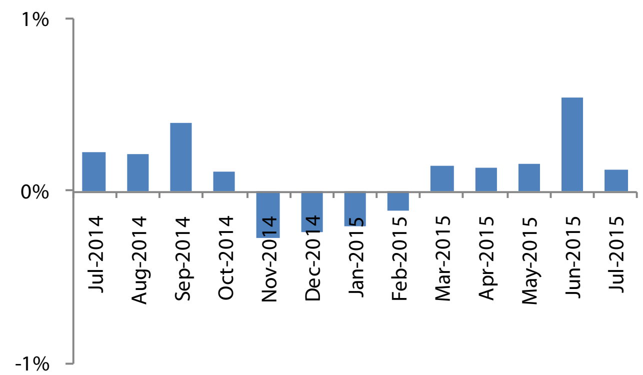
Sources: GSO. Rongviet Securities database
(*) Comparision price in 1994

Graph 2: IIP



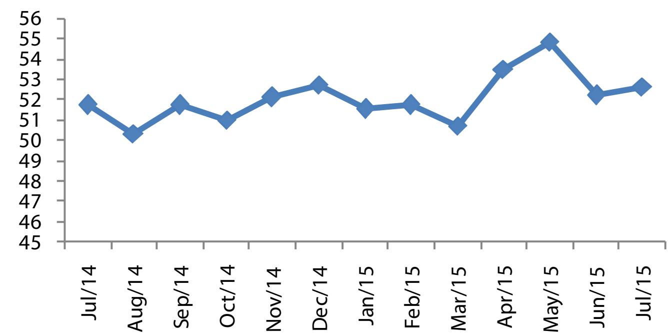
Sources: GSO. Rongviet Securities database

Graph 3: Monthly CPI



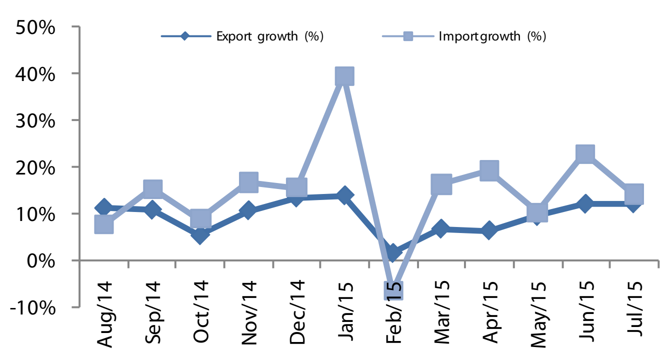
Sources: GSO. Rongviet Securities database

Graph 4: HSBC - PMI



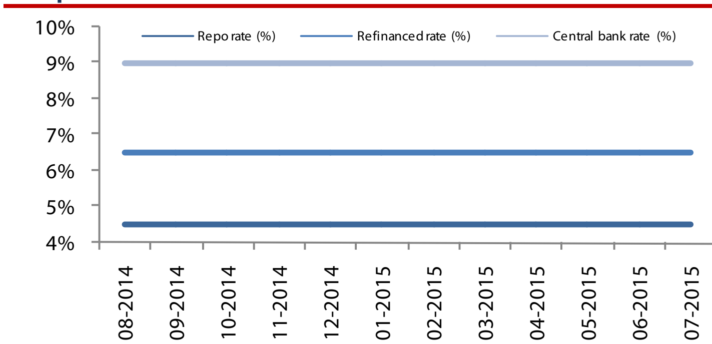
Sources: GSO. Rongviet Securities database

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
PXS - Invest to strengthen construction capacity	Sept, 4th 2015	Accumulate - Intermediate	17,000
SHP - Positive over long-term	Sept, 3rd 2015	Accumulate - Intermediate	20,800
PET - Tracking the progress of Thanh Da land plot transfer	Aug, 20th 2015	Stable	N/a
VNC - Embrace the new wave of international commerce	Aug, 14th 2015	Neutral – Long term	28,900
MAC – Bigger Propellers, further waters	Aug, 7th 2015	Buy – Long term	17,600

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
VFF	01/09/2015	0% - 0.75%	0% - 2.5%	11,861	11,797	0.54%
VEOF	01/09/2015	0% - 0.75%	0% - 2.5%	9,874	9,464	4.33%
VF1	04/09/2015	0.2% - 1%	0.5%-1.5%	22,009	22,314	-1.36%
VF4	04/09/2015	0.2% - 1%	0%-1.5%	9,806	9,626	-1.21%
VFA	04/09/2015	0.2% - 1%	0%-1.5%	7,032	7,130	-1.37%
VFB	04/09/2015	0.3% - 0.6%	0%-1%	12,303	12,293	0.08%
ENF	27/08/2015	0% - 3%	0%	11,297	11,518	-1.92%
MBVF	27/08/2015	1%	0%-1%	10,364	10,514	-1.43%
MBBF	26/08/2015	0%-0.5%	0%-1%	12,304	12,262	0.34%

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