Market today: Prepare for the worse

(Thien Bui - Ext:1321)

Fail to retest 640 pts led to more nervous sentiment. Most investors eyed to 630 pts with high hope this could be a strong support. Tension increased during the day when VNIndex sometimes broke 630 and headed for lower level of 628 pts. However, thanks to gains from VNM, HPG, HSG, VNIndex was able to approach 630 again by the end of the day. Finally, VNIndex closed at 631.61 pts, lower 4.44 pts than yesterday while HNIndex lost another 0.5 pt and stopped at 81.25 pts. Liquidity squeezed as total traded values on both bourses were around VND2,291 billion.

Foreigners turned active. For the second day, foreign investors continued to net buy with total values of VND174 billion and VND18 billion in HSX and HNX. The most favorite stocks of today were KBC (+VND22 billion), HPG (+VND24 billion), VNM (+VND22 billion) and PVS (+VND10 billion). The first 3 sessions of August were quite similar to July: domestic investors turned less active in the second half of the month when market reversed but foreign investors pushed forward net buying.

Yesterday bottom fishers have reasons to worry as market rushed down. Today we did not see any technical recovery. A minor positive signal of this session was the bounce off of VNIndex when it touched 630 pts, a trendline dated from 22/01/2016. Such rebound eased off a little bit today tension. However, (1) liquidity was quite low as we think lots of cash have been trapped yesterday and sentiment was not positive as 640 was so easy to be penetrated. (2) The price recovery was moderate, calculating via the difference between intraday low ~ close price, which stayed the same 1,5% for 2 days. Last but not least, investors who bought yesterday would find it hard to take profit; hence, they could turn to sellers to stop loss for the next 2 days. Besides, some "unknown unknowns" might affect current markets. In brief, any forecast of bottoms at this moment could be unhelpful. Therefore, stay out of the markets could be a good choice at this time.

"Prepare for the worse"

For economics news, it is expected that BoE shall cut interest rates to record low of 0.25% at Thursday policy meeting. The Bank could also look for asset purchase program, which on hold since 2012 to support its economy after seismic of recent Brexit referendum

*Another last words, despite that markets are not positive but investors could still find chances in specific stocks. Today RongViet Research will introduce to our valued investors **Searefico (SRF – HSX)**. Brief introduction could be found in today Analyst's Pinboard.*

Analyst Pin-board

CTG – 2016Q2 earnings result update

Lam Nguyen – Ext: 1313

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

SRF – Company report

Trinh Nguyen – Ext: 1331

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

RONG VIET NEWS

COMPANY REPORTS	Issued Date	Recommend	Target Price
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
PAC - Profit driver from replacement segment	July 04th, 2016	REDUCE – Intermediate	36,600
PNJ - Glittering Gold	July 04th, 2016	Buy – Long term	101,000

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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