MARCH

06

MONDAY

6 PM CALL

“Is ROS Another ETF game?”

Market today: Is ROS Another ETF game?

(***Hieu Nguyen*** *– Ext: 1514,* ***Thien Bui*** *– Ext: 1321)*

The surge of ROS today most likely occurred due to the portfolio restructuring from ETFs. It seems that the market is about to experience another " ETF game". This is a term referring to a situation where a specific stock is manipulated in price and liquidity so that it will eventually be sold to an ETF.

For many investors who are new to Vietnam’s market, investing in ETFs is a convenient option. However, nearly USD150 million has been withdrew from these ETFs last year due to the limitations of these funds. Due to the FOL, these ETFs are unable to use the “full replication” method, which requires buying all the shares of the target index at a similar proportion. Instead, they have to choose the “sampling” method, in which they build their own stimulating index. Moreover, these quantitative ETFs also rely heavily on liquidity, measured by the free-float market cap. Due to the loose legal framework, many market players have continually exploited these limitations, manipulating the liquidity and price of the stocks. These manipulated stocks, usually fall freely after being sold to the ETFs and cause heavy losses for investors who are unsure of the situation. HHS, HNG and OGC are all well-known cases of this.

While HHS and HQC have specific earnings results from core business operations, ROS is a new company in construction with little information and it is trading at 167x P/E. We think that the price of ROS will reverse downward sooner or later. There are and there will be more groups of speculators that create games like this where they manipulate the stock prices and liquidity to “sell to ETFs” since they find the rules of ETFs are so easy to overcome.

The VN-Index seems to display that the adjustment has completed as the index continued to increase after the recovery at the end of last week. However, today’s increase was mainly due to the rise of ROS, VJC and VNM. In addition, falling liquidity in recent sessions casts more doubt on the VN-Index’s ability to break its submit of 720. Hence, we hold the view that the index will keep fluctuating in the upcoming sessions.

VJC also became one of the top 10 largest stocks in the HOSE. Though VJC stopped reaching its ceiling price after 4 consecutive CE sessions, the closing price of 137,000 still allowed it to surpass HVN and to become Vietnam’s largest airline based on market cap. **To evaluate whether this price really reflects VJC’s prospects, RongViet Research would like to introduce our report on VJC to valued clients and investors.**

Analyst Pin-board

Oil & Gas – Rekindled for 2017

*(**Kien Nguyen** – Ext: 1320)*

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

Company report Introduction – VietJet Aviation JSC

*(**Hieu Nguyen** – Ext: 1514)*

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Recommendations:

Indexes kept moving up but the liquidity was not increased. The number of gainers was not outstanding the number of losers. VN-Index is approaching strong resistance at around 720. Trader should maintain a portfolio with high proportion of cash.

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
DIG	9.00	**Hold**	27/02/2017	8.53	10.00		7.80			5.51%	Intermediate
KDC	37.10	**Cutloss**	23/02/2017	39.50	45.00		37.50	28/2/2017	37.50	-5.06%	Intermediate
FPT	45.95	**Hold**	15/02/2017	46.00	50.00		44.00			-0.11%	Intermediate
PAC	34.10	**Cutloss**	15/02/2017	36.50	40.00		34.00	28/2/2017	34.00	-6.85%	Intermediate
AAA	25.80	**Hold**	14/02/2017	25.20	28.00		23.00			6.61%	Intermediate
ITD	29.20	**Hold**	06/02/2017	25.70	28.00		23.50			13.62%	Intermediate
BVH	59.20	**Hold**	05/01/2017	61.10	66.00		58.00			-3.11%	Short-term

Notes:

- **Buying Price** is the Close Price at Buying date. **Selling Price** may be the Target Price, Cut loss 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
MWG - Waiting for The Ability to Maintain Significant Growth	February 3rd, 2017	Sell - Intermediate	134,500
SKG - Competition Will Begin to Impact Earnings Results	December 16th, 2016	Neutral – Long term	72,800
VGC - Catalysts Ahead for VGC to Fully Realize its Potential	December 14th, 2016	Neutral – Long term	17,800
SAB - The Giant of Vietnam's Beer Industry	December 06th, 2016	Neutral – Long term	143,000
DHG - Hope awaits in 2017	November 30th, 2016	Accumulate – Long term	119,000

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	24/02/2017	0.25% - 0.75%	0% - 2.5%	29,492	29,449	0.15%
VF4	24/02/2017	0.25% - 0.75%	0% - 2.5%	13,165	13,151	0.11%
VFA	24/02/2017	0.25% - 0.75%	0% - 1.5%	6,863	6,894	-0.45%
VFB	24/02/2017	0.25% - 0.75%	0% - 2.5%	14,055	14,050	0.04%
ENF	17/02/2017	0% - 3%	0%	14,725	14,618	0.73%
MBVF	16/02/2017	1%	0%-1%	12,372	12,287	0.69%
MBBF	15/02/2017	0%-0.5%	0%-1%	13,544	13,498	0.34%

ANALYSTS

Truc Doan – Head of Research

+ 84 8 6299 2006 | Ext: 1308

truc.dtt@vdsc.com.vn

Ha My Tran – Deputy Manager

+ 84 8 6299 2006 | Ext: 1309

my.tth@vdsc.com.vn

Lam Nguyen

+ 84 8 6299 2006 | Ext: 1313

lam.ntp@vdsc.com.vn

Thien Bui

+ 84 8 6299 2006 | Ext: 1321

Thien.bv@vdsc.com.vn

Diem My Tran

+ 84 8 6299 2006 | Ext: 1311

my.ttd@vdsc.com.vn

Hieu Nguyen

+ 84 8 6299 2006 | Ext: 1514

Hieu.nd@vdsc.com.vn

Huong Pham

+ 84 8 6299 2006 | Ext: 1314

huong.pt@vdsc.com.vn

Kien Nguyen

+ 84 8 6299 2006 | Ext: 1320

Kien.nt@vdsc.com.vn

Quang Vo

+ 84 8 6299 2006 | Ext: 1517

Quang.vv@vdsc.com.vn

Trinh Nguyen

+ 84 8 6299 2006 | Ext: 1331

Trinh.nh@vdsc.com.vn

Hoang Nguyen

+ 84 8 6299 2006 | Ext: 1319

Hoang.nh@vdsc.com.vn

Dung Nguyen

+ 84 8 6299 2006 | Ext: 1518

dung.nv@vdsc.com.vn

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HEAD OFFICE

141 Nguyen Du St., Dist. 1, HCMC

T +84 8 6299 2006
F +84 8 6299 7986
E info@vdsc.com.vn
W www.vdsc.com.vn

HA NOI BRANCH

2C Thai Phien St., Hai Ba Trung Dist.,
Ha Noi City

T +84 4 6288 2006
F +84 4 6288 2008
E info@vdsc.com.vn
W www.vdsc.com.vn

NHA TRANG BRANCH

50 Bis Yersin, Nha Trang City

T +84 058 3820 006
F +84 058 3820 008
E info@vdsc.com.vn
W www.vdsc.com.vn

CAN THO BRANCH

95-97-99 Vo Van Tan St., Ninh Kieu Dist.,
Can Tho City

T +84 0710 381 7578
F +84 0710 381 8387
E info@vdsc.com.vn
W www.vdsc.com.vn