07

MONDAY

"Keeping a cool head"

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- **Keeping a cool head**

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VNIndex against other Asia markets as strong US economy data supports the possibily of a higher FED rate, which might cause pressure on VND/USD exchange rate. VNIndex lost sharply 8 pts while HNIndex continuously moved away from 80 pts level as it lost another 0.42 pt today.

Beside unfavored FX position, the lack of supporting news is another factor that bring markets into short-term downtrend. Investors have been familiar with market moves; hence, market liquidity still remained low as total matching-order volumes were around 80 – 90 million shares/day. Foreigners turned to net sellers for for the fifth day. MSN (-VND296 billion), VCB (-VND116 billion) etc. were on top short list.

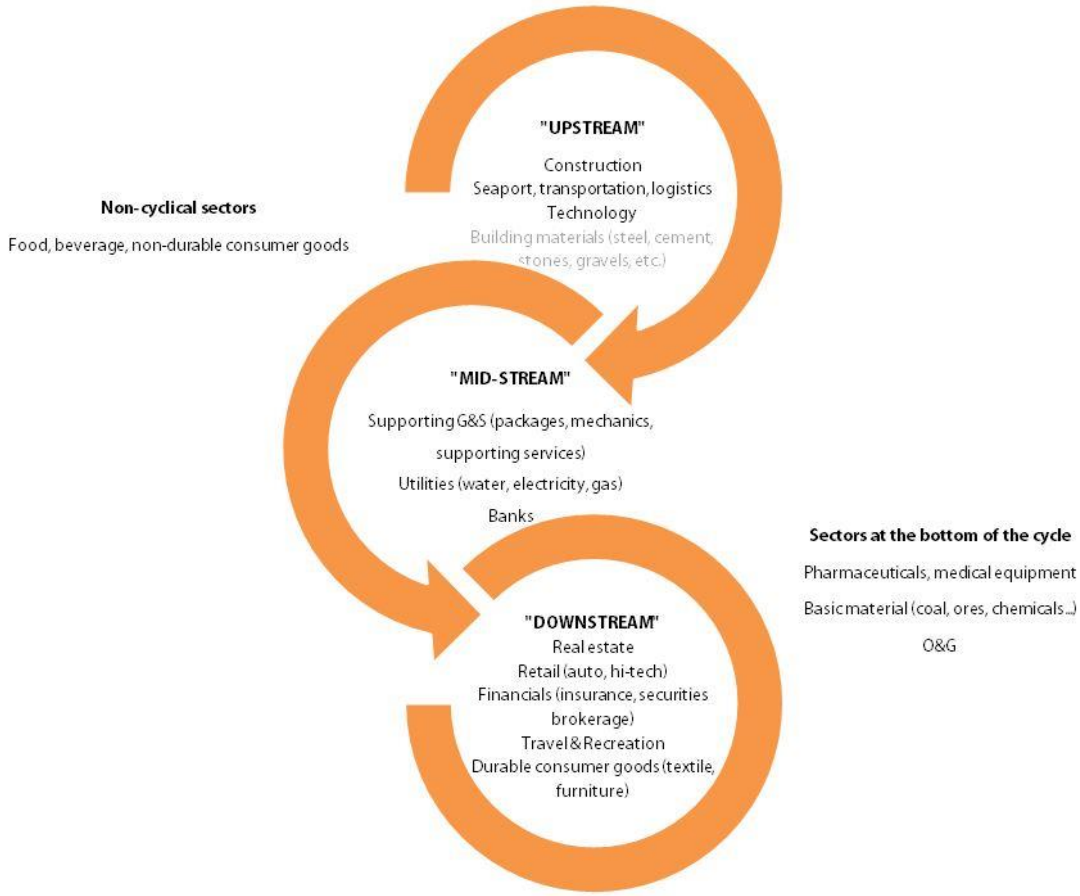
Considering the large capital group, difference between closing price and the highest price was -1.7% while difference between closing price and the lowest price was 1%. This showed that activities of selling at cheap prices turned back. Therefore, selling side seemed to lose their patience since buying side kept their cash in pocket or just purchased modestly. This trend would probably be maintained until concerns on exchange rate are disappeared.

Therefore, market is in process of creating the bottom and this process would test investors' psychology. This process is a necessary condition and the sufficient condition is relating to "wash-out" activities with extremely high volume sessions in order to test demand-supply of the market and to classify between stocks attracting smart money and stocks for small capital investors.

In AD dated 01/12/2015, we believe this is a busy time for cash holding investors. Indeed, in December Investment Strategy, we are giving short lists of stocks investors could accumulate in December for the next 2016. One important note for investors relates to recent warnings on the record-high level of leverage (margin lending) on the stock market. An examination of actual liquidity in the last few months combined and a survey by our own suggested that the large part of the lending might have leaked from the listed market to private equity deal such as IPOs, SOE privatization and M&A opportunities, where the owners of many companies might have pledged their very last shares for the leverage. We believe it may be a little too soon now to be concerned about a market-wide collapse as the result of a liquidity retreat.

Investors already should be picking stocks and accumulate shares for 2016. The general recommendations are to (1) rely on minimal leverage and (2) rotate the portfolio for a better cost basis during times of high-volatility. In this oscillating market, there should always be chances to "sell on the rise and buy on the dip" while still being able to secure positions in potential issues. Day trading in this period is not considered a wise move.

2016 is the second year for the government and companies to prepare for the coming flux of FDI. The process, which is expected to continue for a foreseeable future, has gather attention from all market participants while rallying resources from the private sector. We believe companies in sectors that serve the development of infrastructures (hard and soft) and manufacturing expansion rather than participate in the process, i.e. construction, technology, utilities, logistics and transport, will have no shortage of works in the upcoming year. On the contrary, local manufacturers will see stiff competition coming from countries that have entered trade agreements with Vietnam.



Under our industry outlook and capital market expectations, we present below the list of our stock picks and sample portfolios for 2016. Upon review 2015 full-year results, more detailed analyses on the issues and strategy recommendation will be included in RongViet Research 2016 Stock Market Report.

TABLE: SAMPLE PORTFOLIO FOR LARGE-CAPITALIZATION STOCKS

Ticker	Portfolio weights
CTD	28%
BMP	25%
VSC	22%
HPG	14%
FPT	11%
Portfolio standard deviation (%/year)	19%
Portfolio beta (x)	0,8

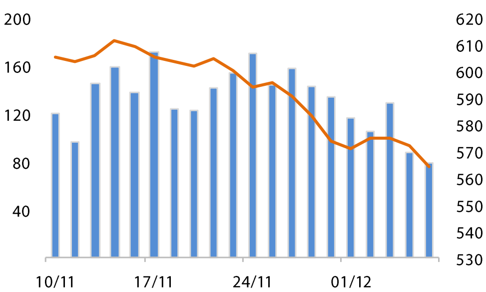
Ticker	Portfolio weights
VSC	34%
NTP	23%
DRC	18%
REE	18%
HSG	7%
Portfolio standard deviation (%/year)	22%
Portfolio beta (x)	0,8

TABLE: SAMPLE PORTFOLIO FOR SMALL AND MEDIUM-CAPITALIZATION STOCKS

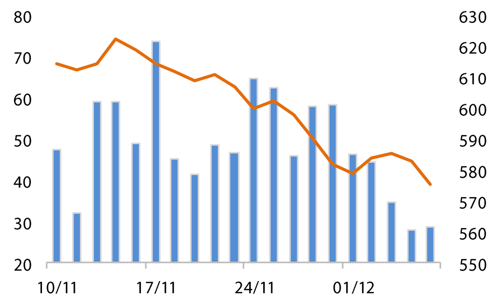
Ticker	Portfolio weights
PLC	41%
MAC	24%
PVT	14%
ELC	13%
VNE	9%
Portfolio standard deviation (%/year)	24%
Portfolio beta (x)	0,9

Ticker	Portfolio weights
PAC	30%
DHC	23%
SVC	19%
FCN	17%
HAH	10%
Portfolio standard deviation (%/year)	18%
Portfolio beta (x)	0,7

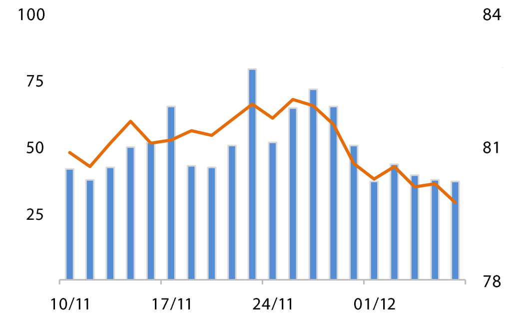
VNINDEX	-1.40%	563.62



VN30	-1.31%	575.34

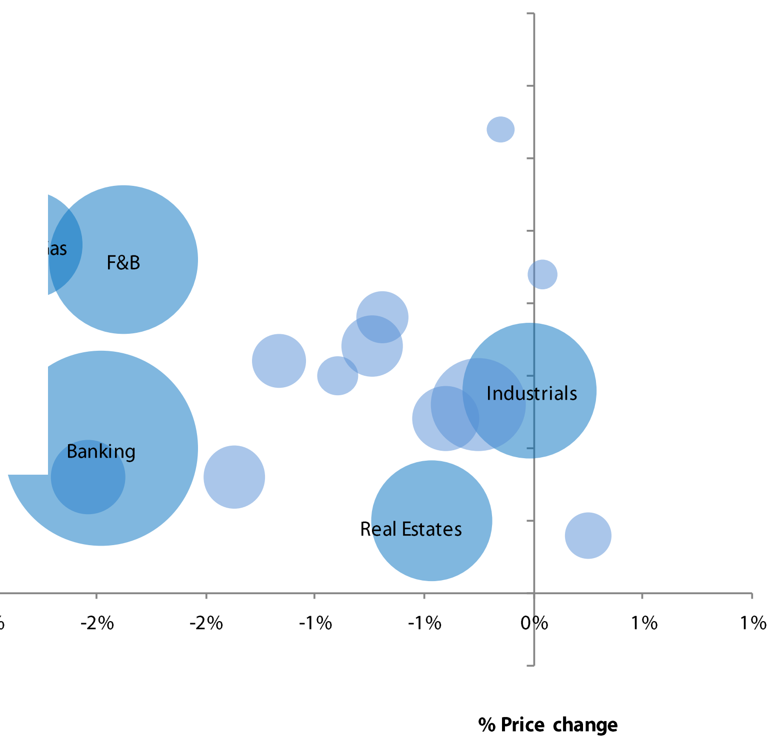


HNXINDEX	-0.52%	79.72

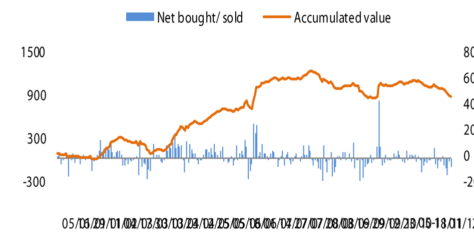


Industry Movement

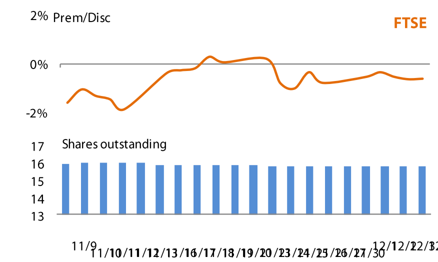
Industry	%change
Technologies	-0.7%
Industrials	0.0%
Constructions	-0.3%
Oil & Gas	-2.3%
Distribution	-0.1%
F&B	-1.9%
Household Goods	-1.2%
Cars & Parts	0.0%
Chemicals	-0.4%
Resources	0.2%
Insurances	-2.0%
Real Estates	-0.5%
Financials	-1.4%
Banking	-2.0%
Utilities	-0.7%
Healthcare	-0.9%

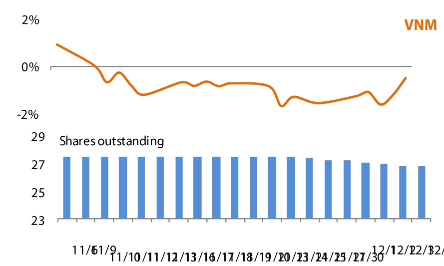


Foreign Investors Trading

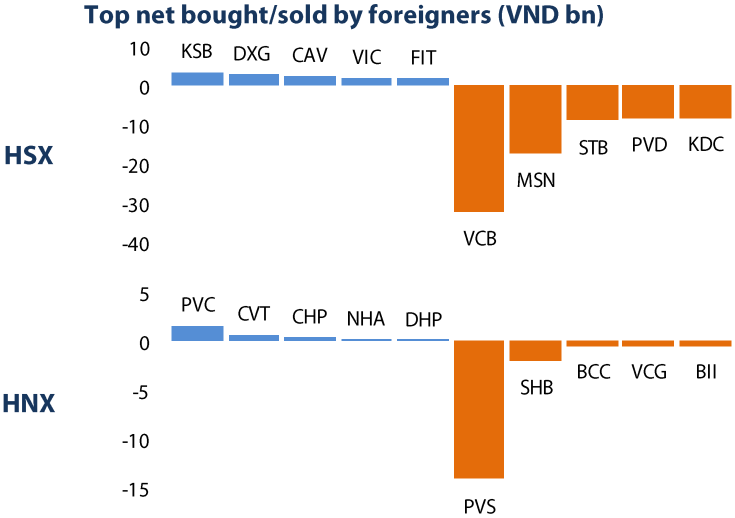


ETF





Top net bought/sold by foreigners (VND bn)



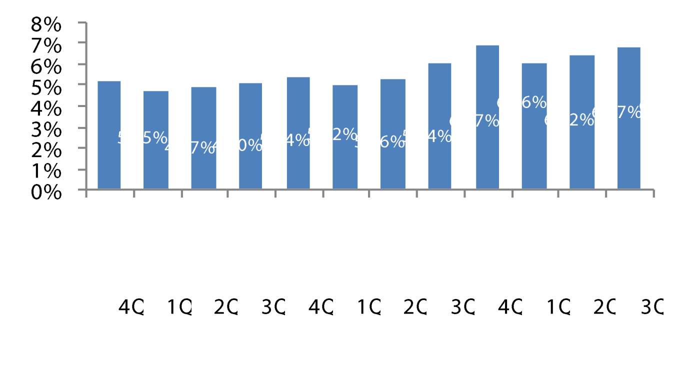
Top Active

Ticker	Price	Volume	% price change
FLC	8.0	5.34	-1.2%
HQC	6.5	3.87	-3.0%
HHS	15.2	3.21	-4.4%
HAG	11.9	3.05	-2.5%
OGC	3.9	2.69	0.0%

Ticker	Price	Volume	% price change
TIG	11.5	2.14	-0.9%
SCR	8.2	1.67	-1.2%
PVS	18.7	1.65	-3.1%
KLF	4.7	1.65	0.0%
PVX	3.2	1.44	0.0%

MACRO WATCH

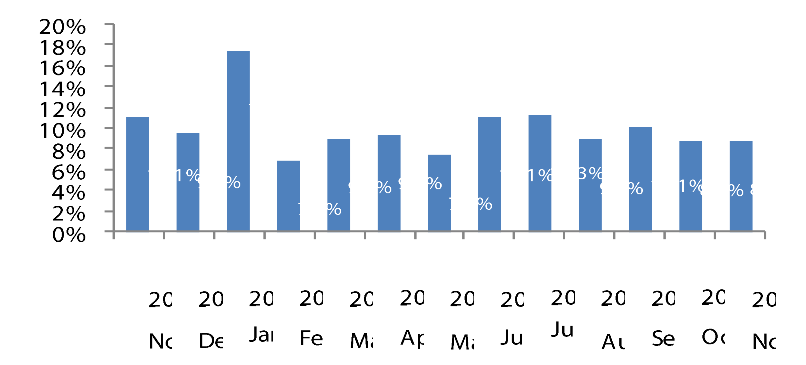
Graph 1: GDP Growth



Sources: GSO. Rongviet Securities database

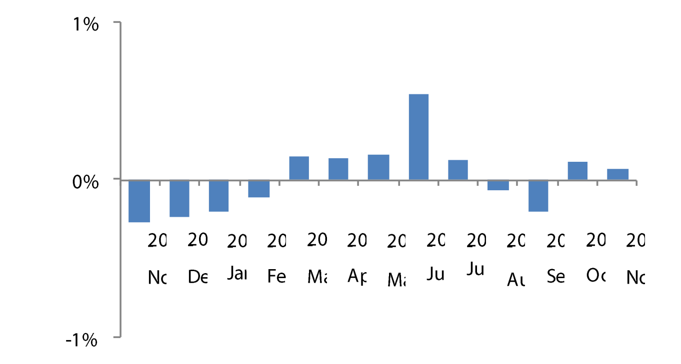
(*) Comparision price in 1994

Graph 2: IIP



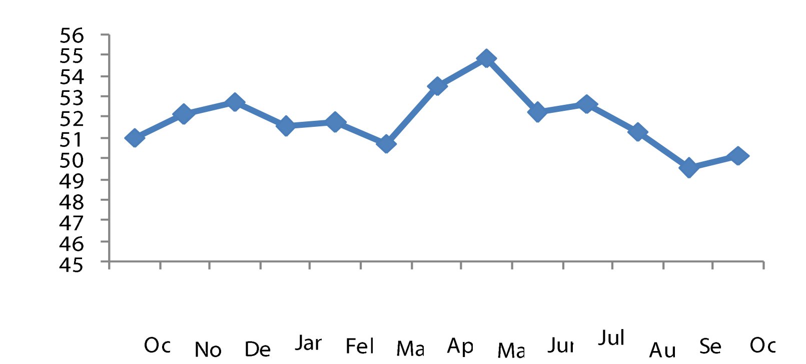
Sources: GSO. Rongviet Securities database

Graph 3: Monthly CPI



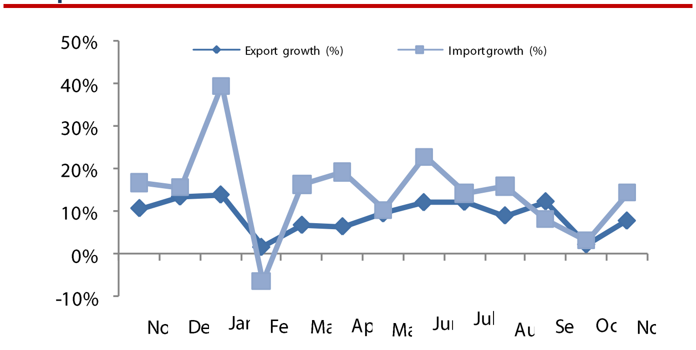
Sources: GSO. Rongviet Securities database

Graph 4: HSBC - PMI



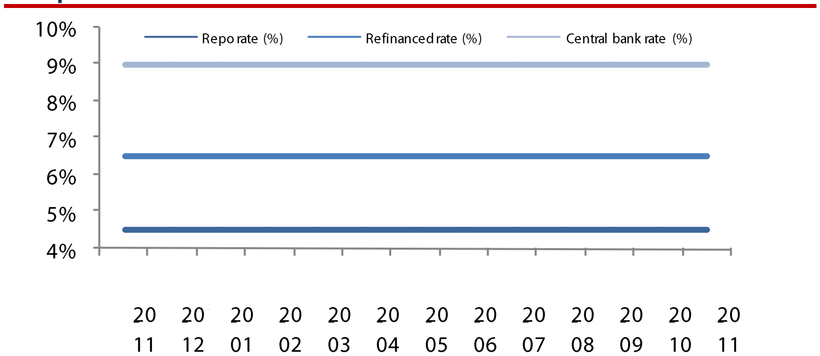
Sources: GSO. Rongviet Securities database

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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