AUGUST

28

FRIDAY

ADVISORY DIARY

- **High beta stocks and initial bullish sessions**

Markets provide initial signals about the recovery phase. VNIndex ended today session with strong increase of 15 points, marked the 4th consecutive recovery day. As usual, this session experienced significant selling pressure due to the profit-taking activities of T+3 stocks. However, markets were still actively traded with 152 million traded shares and increase stocks outweighed declined ones (138 increase tickers compared to 83 tickers). Simultaneously, foreign investors also came back to net-buy position with VND 92 billion.

With the recovery over the recent sessions and the consultant from Rongviet Research's technical analyst team for the forming V model (mentioned in Advisory Diary 28/08/2015), we filtered the stocks with high beta to introduce the investors following this style. Under the situation of market increasing in points, high-beta stocks often held investors to be ahead of markets' waves, which mean higher returns. However, high-beta stocks usually have high volatility in trading; therefore, risk management (follow the rule of cutting lost and recognizing profit) is also the material aspect of this investment style. Regarding trading risk management, our market analyst believes that the trailing stop loss method is the simple solution and helps investors to hedge the risk from markets. Besides, the earlier high-beta investors participate in bullish market the more advantage they can take.

For low risk tolerance investors, we think value-style stocks (stable business performance and high dividend yield) are more suitable so we will recommend these in next AD.

(*) Reference link for trailing stop loss: http://www.investopedia.com/articles/trading/08/trailing-stop-loss.asp

Vietnam stock market has not yet had trailing stop loss order but investors can implement the trailing stop loss method by outstanding selling orders manually when market price crossovers the target price in this method.

"High beta stocks and initial bullish sessions"

Ticker	Beta	P/E	P/B	Market cap (billion dong)
BID	1.52	12.34	1.93	77,263
PVT	1.39	8.10	0.87	2,891
PVI	1.35	13.51	0.68	4,201
CTG	1.33	12.89	1.36	73,723
PVD	1.27	6.77	0.99	12,321
PVS	1.26	5.16	1.01	9,738
DXG	1.24	5.62	1.40	1,892
PTI	1.23	14.37	1.64	1,737
IDI	1.19	4.90	0.70	737
HUT	1.18	3.40	0.80	1,258
HVG	1.16	10.24	1.17	3,065
ACB	1.13	17.68	1.35	16,581
HSG	1.12	6.66	1.59	4,141
HBC	1.11	9.37	1.13	1,208
PPI	1.10	4.12	0.56	195
NTL	1.09	17.49	0.97	842
CVT	1.07	6.51	1.51	396
FCM	1.07	11.21	0.59	266
SSI	1.06	16.06	1.93	11,328

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HPG	1.05	7.13	1.76	22,940
PET	1.03	6.33	0.78	1,337
FCN	1.03	6.90	1.20	901
BMI	1.02	11.60	0.78	1,691
PXI	1.02	4.96	0.57	204
CEO	1.00	4.83	1.17	974

In terms of macroeconomic news, GSO has just announced the Monthly Statistical Information for the first 8 months of 2015. Regarding to state budge, as an investor, I have asked our macroeconomics analyst to know whether budget deficit could be as expectation of the Government.

According to statistics up to 15/8, our macro analyst believes that the Government could achieve the plan about budget deficit to not surpass 5% of GDP. The reasons are (1) the budget deficit by this time has reached only VND 112,000 billion, equivalent to 48% of the plan; (2) income from fees and charges over the last 8 months increased by VND 28,900 billion y.o.y while the income from crude oil declined by only VND 19,200 billion y.o.y; (3) crude oil revenue accounted for only 8% of total budget revenue, as a consequence, the impact from low oil price could be compensated from several domestic income sources, especially from fees and personal income taxes.

Spotlight of macroeconomic picture is reflected by number of new businesses surging more than 30% and number of dissolution dropping 1.2%. However, scale of such group is quite small (average registered capital is estimated at VND5.9 billion). Therefore, we assume new entrance players are mainly in “start-up” form – a popular trend in Vietnam recently. Also, from the aspect of consumers, we saw the aggregate demand were positive. The accumulated sales of goods and services post a growth (excluding price factors) of more than 9.1% y-o-y (8M2014: 6.4% and 8M2013: 5.1%).

Overall, considering two aspects above, we believe macroeconomic situation is quite stable. We think reaction of investors in the past few days was in line with global stock market shock.

WEEKLY TECHNICAL VIEW

VN-Index

VN-Index added 14.57 points (or 2.62%), closed at 570.87. Trading volume jumped 25% up to 721 million shares.

On Monday and Tuesday, VN-Index fell sharply down to 510 area and then bounced back strongly and closed at the highest at the end of the week. The liquidity maintained steadily above 100 million shares per day. After a sharp decline, a V-shaped recovery is usually formed. The nearest target of VN-Index is 575-580 where the 26-day, 100-day and 200-day moving averages converge.

The trading volumes were especially high when VN-index dropped abnormally from 550 to 510 just in two sessions. That might be time when smart money appeared and absorbed all forced-sell stocks.

Looking at technical indicators, both the MACD and the RSI turned up strongly from oversold territories.

A V-shaped recovery is forming and traders may raise the stock stock/cash ratio on corrections.

HNX-Index

HNX-Index increased 0.67 points (or 0.86%), closed at 78,.27. Trading volume rose 26% with 255 million shares changed hands.

The movement of HNX-Index was similar to VN-Index. A V-shaped recovery appeared and HNX-Index is now moving towards 80 area. The liquidity was high and steady. The recovery was solid and reliable.

Looking at technical indicators, almost of them turned up from oversold territories.

A resistance may appear at around 80 where HNX-Index reaches its EMA(26).

A new uptrend is forming and traders should buy on corrections.

Recommendation:

Both VN-Index and HNX-Index reversed sharply on high volumes. The reversal seems strong and reliable. Traders should raise the stock/cash ratio on corrections.

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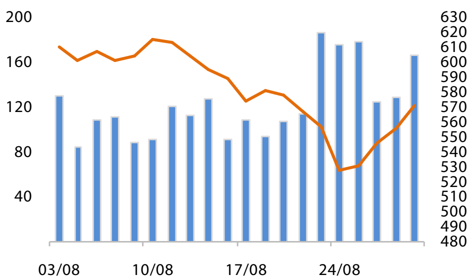
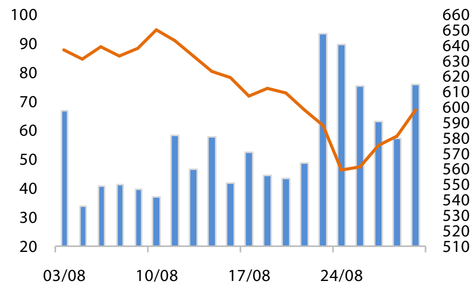
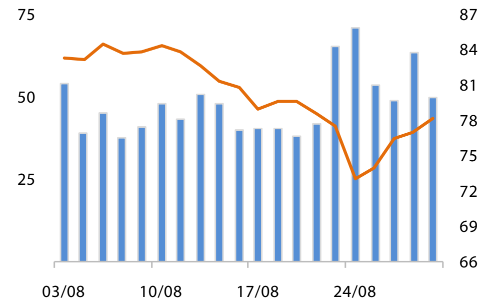
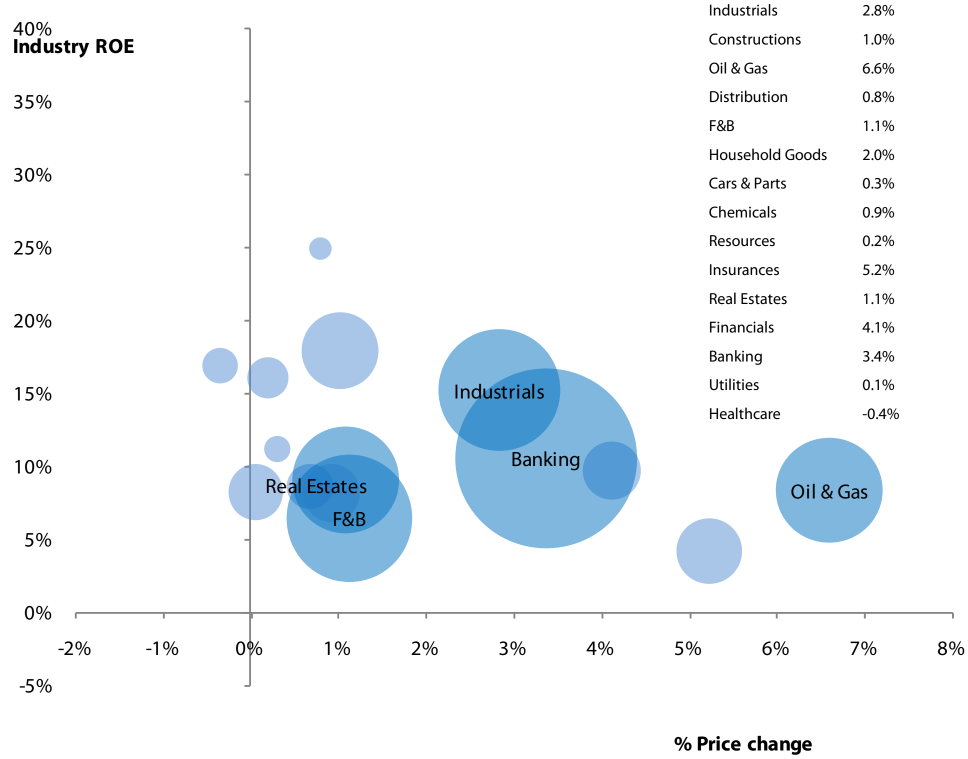
VNINDEX	2.71%	570.87	VN30	2.80%	597.81	HNXINDEX	1.62%	78.27





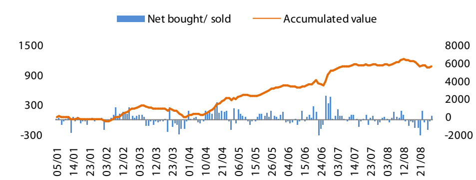


Industry Movement

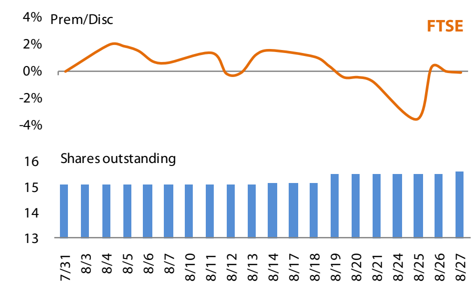


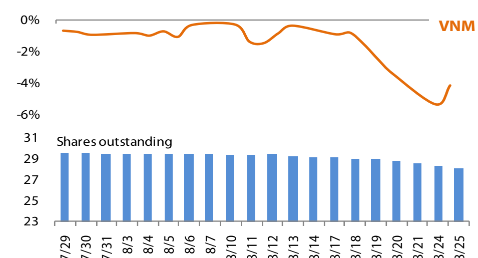
Industry	% change
Technologies	0.7%
Industrials	2.8%
Constructions	1.0%
Oil & Gas	6.6%
Distribution	0.8%
F&B	1.1%
Household Goods	2.0%
Cars & Parts	0.3%
Chemicals	0.9%
Resources	0.2%
Insurances	5.2%
Real Estates	1.1%
Financials	4.1%
Banking	3.4%
Utilities	0.1%
Healthcare	-0.4%

Foreign Investors Trading

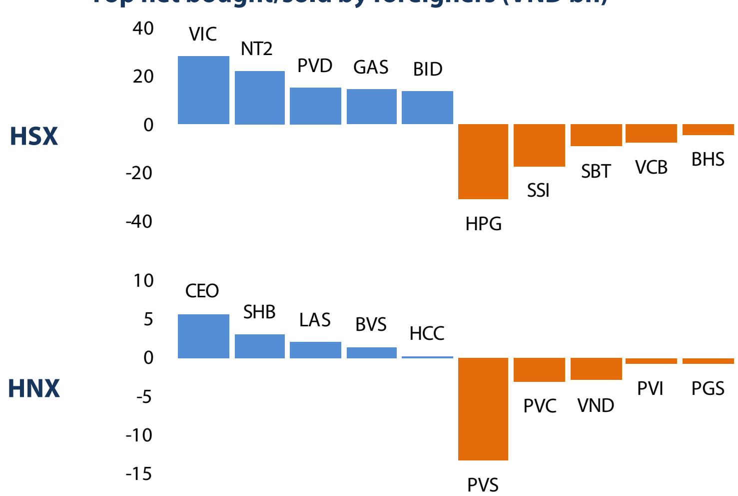


ETF





Top net bought/sold by foreigners (VND bn)



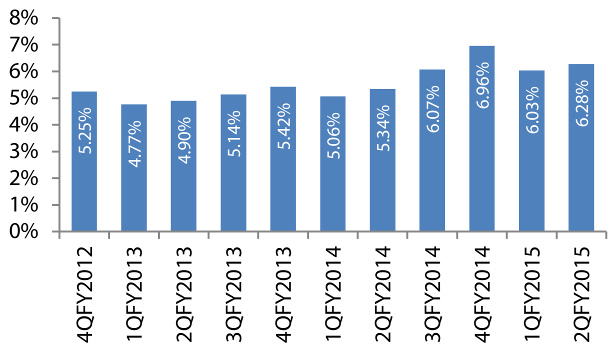
Top Active

Ticker	Price	Volume	% price change
CII	24.1	17.34	1.3%
SSI	25.7	12.48	6.6%
HAI	6.4	8.56	6.7%
FLC	7.0	8.47	1.4%
SBT	14.0	7.58	2.9%

Ticker	Price	Volume	% price change
KLF	5.0	5.58	2.0%
VND	14.3	3.71	3.6%
PVS	21.8	3.03	6.3%
SHB	7.0	2.99	1.4%
CEO	15.1	2.45	6.3%

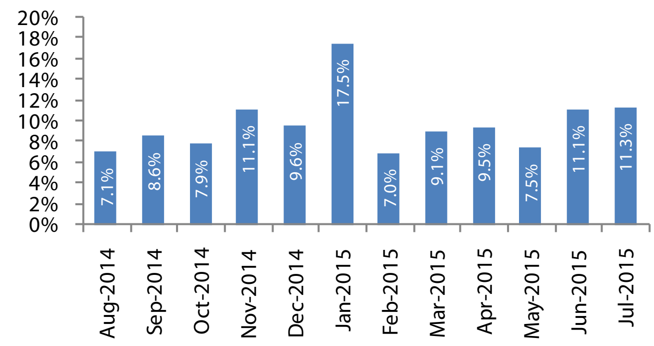
MACRO WATCH

Graph 1: GDP Growth



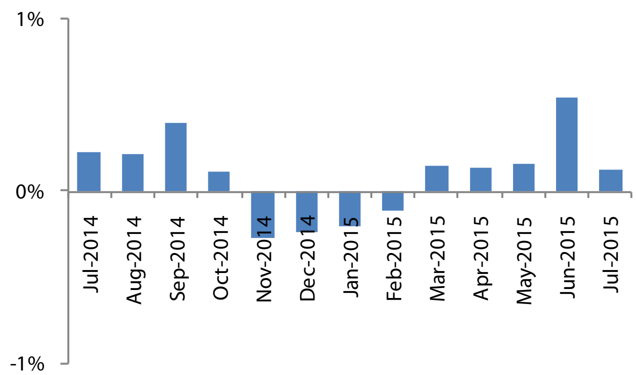
Sources: GSO. Rongviet Securities database
(*) Comparision price in 1994

Graph 2: IIP



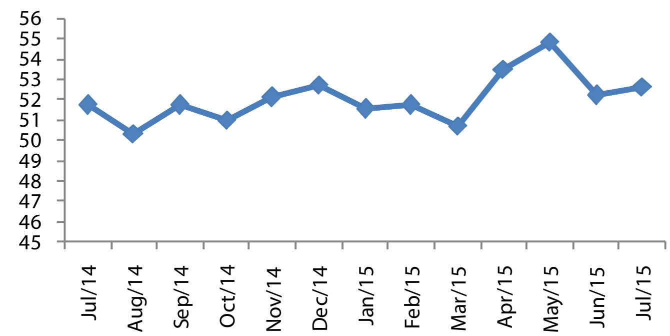
Sources: GSO. Rongviet Securities database

Graph 3: Monthly CPI



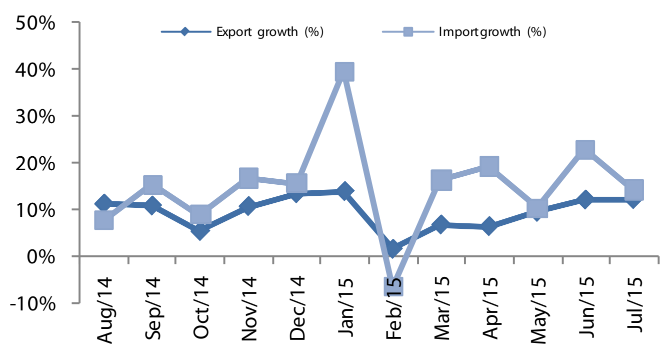
Sources: GSO. Rongviet Securities database

Graph 4: HSBC - PMI



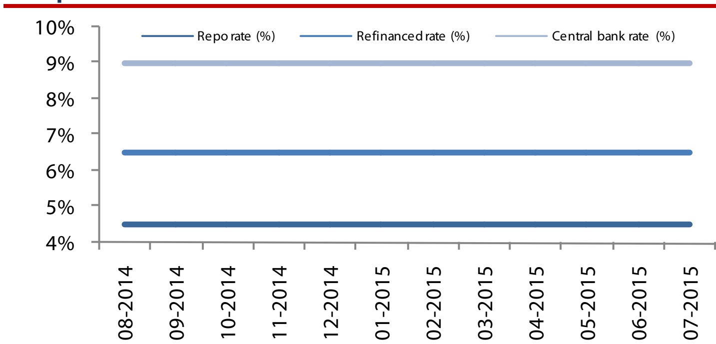
Sources: GSO. Rongviet Securities database

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
MAC – Bigger Propellers, further waters	Aug, 7th 2015	Buy – Long term	17,600
NT2 - Growth in stability	July, 30th 2015	Buy – Intermediate term	30,200
FMC - Leaping in overseas waters	July 23rd, 2015	Accumulate – Intermediate term	27,000
SVC - Firing up the engine	July 20th, 2015	Accumulate – Intermediate term	24,100
LCG - A new cycle begins	July 16th, 2015	Accumulate – Intermediate term	9,500

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	11/08/2015	0% - 0.75%	0% - 2.5%	11,851	11,856	-0.04%
VEOF	11/08/2015	0% - 0.75%	0% - 2.5%	10,298	10,011	2.87%
VF1	14/08/2015	0.2% - 1%	0.5%-1.5%	23,279	23,537	-1.09%
VF4	14/08/2015	0.2% - 1%	0%-1.5%	10,459	10,573	-1.08%
VFA	14/08/2015	0.2% - 1%	0%-1.5%	7,404	7,482	-1.04%
VFB	14/08/2015	0.3% - 0.6%	0%-1%	12,331	12,311	0.16%
ENF	07/08/2015	0% - 3%	0%	11,601	11,665	-0.55%
MBVF	06/06/2015	1%	0%-1%	10,735	10,578	1.48%
MBBF	05/08/2015	0%-0.5%	0%-1%	12,299	12,300	-0.01%

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