MAY

11

THURSDAY

"There might be a Correction in the Short-term"

6PM CALL

Market today: There might be a Correction in the Short-term

***(Thien Bui** – Ext: 1321)*

All of the indexes moved quite similarly today, increasing in the morning and gradually declining as the session came to an end. The VN-Index remained in the green thanks to PLX, and liquidity reached a new high (VND4,700 billion). Market breadth, however, was not as great as decliners overwhelmed gainers, and the diversion was strong in some sectors such as real estate and banking. Based on this, we hold the view that the market may experience another correction as the VN Index moves closer to 725-730.

The majority of brokerage stocks advanced strongly in the past three days, including SSI, HCM, VND, SHS, IVS, and VIX; only 2 declined. Despite decreasing today, MBS still rallied nearly 40% since the beginning of March, the strongest upside compared to other peers. Moreover, we observed that SSC finally approved IVS to lift up the FOL to 100%. Following FTS and SSI, IVS will be the third securities firm to open room for foreigner investors. Previously, HCM and VDS also planned to increase the FOL to 100% at the AGM. FOL lifting will definitely have advantages and disadvantages. However, the unclear classification between foreign or local companies can be a barrier for securities companies' investment activities.

We also saw that SPC, a pesticide producer, plans to open a new business segment to sell airline tickets, which is certainly a strong case of unrelated diversification. This reminds us of MWG selling pharmaceutical products or VNS taxi drivers selling grapefruit. For MWG, investors can see a little synergy effect because it is involved in retail, but for VNS and SPC, it is questionable whether new segments could bring more benefits to these 2 companies. There are 2 possibilities: these companies could either be very creative and successful in expansion or be stuck in their current businesses.

Finally, the return of TPP "warmed" the market. New Zealand was the second nation ratifying the TPP following Japan. Besides, the 11 nations plan to renegotiate the agreement without the US in Hanoi at the end of this year. The chance for the TPP to come into reality is possible if the 11 nations reach an agreement. In the case that at least 6 nations ratify the TPP before February, 2018 and these nations' GDP accounts for greater than or equal to 85% of total TPP nations' GDP, the TPP can be passed. Currently, there are already 2 nations ratifying TPP. Therefore, the market has a reason to be hopeful, especially the textile industry. Since 2015, this industry witnessed a strong fluctuation due to TPP.

Analyst Pin-board

An Overview on Real Estate Sector

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

RONG VIET NEWS

COMPANY REPORTS	Issued Date	Recommend	Target Price
REE – Higher Value due to the Reduction of ex rate risk	April 20th, 2017	Accumulate – Long term	32,800
TCM - Benefits from the Rebound in Textile Demand	April 4th, 2017	Accumulate – Long term	25,300
PVS - Positive Prospects from Energy Projects	April 3rd, 2017	Accumulate – Long term	21,900
HSG - Robust Core Business	March 22th, 2017	Neutral – Intermediate	51,700
MWG - Waiting for The Ability to Maintain Significant Growth	February 3rd, 2017	Sell - Intermediate	134,500

Please find more information at http://www.vdsc.com.vn/en/companyReport.rv?categoryId=302

FUND CERTIFICATES 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	08/05/2017	0.25% - 0.75%	0% - 2.5%	30,551	30,556	-0.02%
VF4	08/05/2017	0.25% - 0.75%	0% - 2.5%	13,673	13,696	-0.17%
VFA	16/03/2017	0.25% - 0.75%	0% - 1.5%	6,777	6,802	-0.37%
VFB	05/05/2017	0.25% - 0.75%	0% - 2.5%	14,329	14,302	0.19%
ENF	28/04/2017	0% - 3%	0%	15,506	15,303	1.33%
MBVF	27/04/2017	1%	0%-1%	12,657	12,705	-0.38%
MBBF	26/04/2017	0%-0.5%	0%-1%	13,670	13,656	0.10%

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