RONG VIET SECURITIES

DECEMBER

13

TUESDAY

6 PM CALL

Market today: The Market Dropped Despite Strong Performance of Beer Stocks

***(Quang Vo** - Ext: 1514)*

Stocks ended negatively during today's session, with low trading volume, following the substantial downward movement seen in the previous session. Both the VN-Index and the HN-Index ended in negative territory with the majority of stocks performing poorly. The VN-Index decreased by 5.04 points, or 0.76%, falling to 654.66, while the HN-Index edged down 0.91 points, or 1.15%, falling to 77.88. There are 167 stocks on the HSX and 119 stocks on the HNX that closed below their reference price. The market liquidity was low with total trading volume of 170 million shares, equivalent to a value of VND 2,659 billion.

Beer stocks continued to support the market today. On the HSX, SAB closed at its ceiling price, at VND184,800. The current price level made SAB the 4th largest company on the HSX in terms of market capitalization (behind VNM, GAS and VCB). UpCoM companies also had an impressive performance, as WSB, BHP and BHN increased by 14.9%, 14.6% and 15.0%, respectively.

What would the market look like without ROS and SAB? ROS had a strong influence on the market in the last few months, while SAB was the new leader. Without these stocks, the VN-Index would only be 627.15, equivalent to a YTD return of 8.31%. However, in both cases, the market P/E and P/B have remained nearly the same, with a value of 15.8 and 1.9, respectively. Taking all things into account, the market seems to be reasonably valued and the most suitable strategy, therefore, is the bottom-up method. Some useful standards for picking specific stocks should be considered, including a low P/E (less than 7) and moderate trading volume per day (greater than 10,000 shares and VND4 billion).

"The Market Dropped Despite Strong Performance of Beer Stocks"

Table: List of Stocks to Monitor

Ticker	Trading Volume (shares)	Market Cap (VND B)	Trailing 12M P/E
HPG	4,348,141	34,427	6.60
DPM	642,669	9,138	6.95
HSG	1,809,957	9,041	6.02
NT2	425,477	8,845	6.75
KDC	353,032	6,458	5.93
PC1	702,990	2,785	6.36
DBC	302,428	2,718	5.89
VNS	216,574	2,165	6.93
HVG	900,196	2,076	6.33
HUT	1,575,676	2,028	3.83
PHR	353,615	1,876	6.91
BHS	1,534,694	1,826	6.77

Ticker	Trading Volume (shares)	Market Cap (VND B)	Trailing 12M P/E
NKG	395,743	1,761	3.79
BFC	133,309	1,715	6.66
BCC	295,799	1,661	5.86
CEO	838,773	1,194	5.50
NNC	50,493	1,172	6.98
FCN	235,187	871	5.61
TCM	229,217	756	6.82
CVT	286,280	685	6.42
GIL	167,530	661	6.46
C32	98,506	644	5.81
PXS	384,455	627	6.04

Source: Rong Viet Research

Analyst Pin-board

2016 Foreign Capital Review

***(Thien Bui** – Ext: 1321)*

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

VGC: Catalysts Ahead for VGC to Fully Realize its Potential

***(Huong Pham** – Ext: 1314)*

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

Recommendations:

VN-Index and HNX-Index kept going down strongly. The number of losers overwhelmed the number of gainers. The current trend remains bearish and therefore trader should maintain a portfolio with high ratio 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
CII	29.20	**Hold**	18/11/2016	29.45	32.0		28.5			-0.85%	Intermediate
DAG	14.40	**Cutloss**	18/11/2016	15.0	17.0		14.3	06/12/2016	14.30	-4.67%	Intermediate
PPC	16.40	**Hold**	18/11/2016	15.30	17.0		14.5			7.19%	Intermediate
VGC	15.90	**Hold**	26/07/2016	13.5	17.6		12.6			17.78%	Long
CTI	23.80	**Cutloss**	18/07/2016	26.7	29.0		25.0	12/12/2016	25.00	-6.37%	Intermediate
LHC	64.50	**Hold**	21/08/2015	41.5	70.0	78.0	58.0			55.42%	Long

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
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
GMD - Encouraging result amid short-term cargo low	November 28th, 2016	Accumulate – Intermediate term	30,000
HPG- Unmatchable	November 21st, 2016	Accumulate – Long term	50,300
VNS - The battle for market share	November 8th, 2016	Monitor	NA

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	07/12/2016	0.25% - 0.75%	0% - 2.5%	27,884	28,189	-1.08%
VF4	07/12/2016	0.25% - 0.75%	0% - 2.5%	12,394	12,531	-1.09%
VFA	02/12/2016	0.25% - 0.75%	0% - 1.5%	6,817	6,849	-0.47%
VFB	02/12/2016	0.25% - 0.75%	0% - 2.5%	13,751	13,735	0.12%
ENF	02/12/2016	0% - 3%	0%	14,015	14,325	-2.16%
MBVF	17/11/2016	1%	0%-1%	12,326	12,041	2.37%
MBBF	23/11/2016	0%-0.5%	0%-1%	13,355	13,355	0.00%

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