RONGVIET SECURITIES

JUNE

07

WEDNESDAY

6PM CALL

## *Market today:* The Market Has Been Led by Banking Stocks

*(Quang Vo – Ext: 1517)*

The National Assembly discussed the Debt Resolution Plan this morning. Lots of bad debt data has been released. Notably, the total bad debt on the balance sheet and NPLs sold to VAMC, which has not yet processed were over 345,000 billion, accounting for 5.8% of total outstanding loans. Based on the total bad debt on the balance sheet, NPLs sold to VAMC, which have not been processed and restructured debt are 10.08% of total outstanding loans. We suppose that potential bad debt is currently huge. In case the Debt Resolution Plan is passed, the process of dealing with bad debt will be eased and the market for trading debt will gradually be formed. Consequently, the problem of how to reduce interest rate along with the reduction of inflation can be solved. In addition, when the bad debt is eliminated, the easing monetary policy will actually promote the the economic growth.

Although the Debt Resolution Plan is in progress, banking stocks witnessed a strong inflows, which increased the banking index by 2.85%. However, the capital did not flow to VCB and STB during today's session. This was the main reason explaining the contrast performances between VN-Index and HNX-Index. On the HSX, negative impact from VCB and STB slowed the VN-Index down by only 0,29%, while impressive performances from ACB and NVB supported the HNX-Index surged by 1.8%, which is the highest gain since May.

The market liquidity also showed positive signals. On the HSX, total matching trading value jumped to VND4,065 billion, while on the HNX, total matching trading value surged up by 65% to VND1,000 billion. Banking stocks, including CTG, MBB (on the HSX) and ACB (on the HNX) continued to play an important role for such strong liquidity.

*Overall, the market has been led by banking stocks. During the rest of 2017, we believe there are still motivations for these stocks including (1) high credit growth and (2) positive signals from the progress of solving bad debt. Therefore, the market may witness further rally this year. Investors can find detailed information in our "Investment Strategy Report – June 2017".*

***"The Market Has Been Led by Banking Stocks"***

## *Analyst Pin-board*

### TAC – A New Milestone

**(Vu Tran –** *Ext: 1518)*

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

## Recommendations:

Indexes kept going up and the liquidity also increased. The selling forces are stronger and the market seems overbought. Traders consider taking profit partly and maintain a balance portfolio.

## 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/ Loss | Duration |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **PGS** | 17.50 | **Cutloss** | 19/05/2017 | 18.70 | 21.2.00 | | 17.70 | 05/6/2017 | 18.3 | -2.14% | Intermediate |
| **TNG** | 14.7 | **Hold** | 19/05/2017 | 15.10 | 18.00 | | 14.00 | | | -2.65% | Intermediate |

**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 |
|---|---|---|---|
| PC1 - Accumulating for a breakthrough | May 30th, 2017 | Accumulate – Intermedia | 48,100 |
| NTC - Steady growth business model with strong cash flow | May 29th, 2017 | Buy – Long term | 73,800 |
| FPT - The Restructuring Progress Remains a Long-term Story | May 26th, 2017 | Buy – Long term | 53,200 |
| VIT - Driving Force from Capacity Expansion | May 22nd, 2017 | Accumulate – Long term | 33,900 |
| PGS - Commendable Growth in LPG Segment | May 22nd, 2017 | Accumulate – Intermedia | 21,700 |

*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 | 31/05/2017 | 0.25% - 0.75% | 0% - 2.5% | 31,156 | 31,390 | -0.75% |
| VF4 | 31/05/2017 | 0.25% - 0.75% | 0% - 2.5% | 14,055 | 14,177 | -0.86% |
| VFA | 16/03/2017 | 0.25% - 0.75% | 0% - 1.5% | 6,777 | 6,802 | -0.37% |
| VFB | 26/05/2017 | 0.25% - 0.75% | 0% - 2.5% | 14,530 | 14,486 | 0.30% |
| ENF | 26/05/2017 | 0% - 3% | 0% | 16,686 | 16,134 | 3.42% |
| MBVF | 18/05/2017 | 1% | 0%-1% | 12,916 | 12,767 | 1.17% |
| MBBF | 17/05/2017 | 0%-0.5% | 0%-1% | 13,715 | 13,706 | 0.07% |

## ANALYSIS & INVESTMENT ADVISORY DEPARTMENT

**Truc Doan – Head of Research**
+ 84 8 6299 2006 | Ext: 1308
truc.dtt@vdsc.com.vn

**Ha My Tran**
+ 84 8 6299 2006 | Ext: 1309
my.tth@vdsc.com.vn

**Lam Nguyen**
+ 84 8 6299 2006 | Ext: 1313
lam.ntp@vdsc.com.vn

**Hoang Nguyen**
+ 84 8 6299 2006 | Ext: 1319
hoang.nh@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

**Thien Bui**
+ 84 8 6299 2006 | Ext: 1321
thien.bv@vdsc.com.vn

**Hieu Nguyen**
+ 84 8 6299 2006 | Ext: 1514
hieu.nd@vdsc.com.vn

**Trinh Nguyen**
+ 84 8 6299 2006 | Ext: 1331
trinh.nh@vdsc.com.vn

**Quang Vo**
+ 84 8 6299 2006 | Ext: 1517
quang.vv@vdsc.com.vn

**Son Phan**
+ 84 8 6299 2006 | Ext: 1519
son.pnt@vdsc.com.vn

**Thu Le**
+ 84 8 6299 2006 | Ext: 1521
thu.lta@vdsc.com.vn

**Vu Tran**
+ 84 8 6299 2006 | Ext: 1518
vu.thx@vdsc.com.vn

**DISCLAIMERS**

This report is prepared in order to provide information and analysis to clients of Rong Viet Securities only. It is and should not be construed as an offer to sell or a solicitation of an offer to purchase any securities. No consideration has been given to the investment objectives, financial situation or particular needs of any specific. The readers should be aware that Rong Viet Securities may have a conflict of interest that can compromise the objectivity this research. This research is to be viewed by investors only as a source of reference when making investments. Investors are to take full responsibility of their own decisions. VDSC shall not be liable for any loss, damages, cost or expense incurring or arising from the use or reliance, either full or partial, of the information in this publication.

The opinions expressed in this research report reflect only the analyst's personal views of the subject securities or matters; and no part of the research analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or opinions expressed in the report.

The information herein is compiled by or arrived at Rong Viet Securities from sources believed to be reliable. We, however, do not guarantee its accuracy or completeness. Opinions, estimations and projections expressed in this report are deemed valid up to the date of publication of this report and can be subject to change without notice.



**IMPORTANT DISCLOSURES FOR U.S. PERSONS**

This research report was prepared by Viet Dragon Securities Corp. ("VDSC"), a company authorized to engage in securities activities in Vietnam. VDSC is not a registered broker-dealer in the United States and, therefore, is not subject to U.S. rules regarding the preparation of research reports and the independence of research analysts. This research report is provided for distribution to "major U.S. institutional investors" in reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act").

Any U.S. recipient of this research report wishing to effect any transaction to buy or sell securities or related financial instruments based on the information provided in this research report should do so only through Rosenblatt Securities Inc., 40 Wall Street 59th Floor, New York, NY 10005, a registered broker dealer in the United States. Under no circumstances should any recipient of this research report effect any transaction to buy or sell securities or related financial instruments through VDSC. Rosenblatt Securities Inc. accepts responsibility for the contents of this research report, subject to the terms set out below, to the extent that it is delivered to a U.S. person other than a major U.S. institutional investor.

The analyst whose name appears in this research report is not registered or qualified as a research analyst with the Financial Industry Regulatory Authority ("FINRA") and may not be an associated person of Rosenblatt Securities Inc. and, therefore, may not be subject to applicable restrictions under FINRA Rules on communications with a subject company, public appearances and trading securities held by a research analyst account.

**Ownership and Material Conflicts of Interest**

Rosenblatt Securities Inc. or its affiliates does not 'beneficially own,' as determined in accordance with Section 13(d) of the Exchange Act, 1% or more of any of the equity securities mentioned in the report. Rosenblatt Securities Inc, its affiliates and/or their respective officers, directors or employees may have interests, or long or short positions, and may at any time make purchases or sales as a principal or agent of the securities referred to herein. Rosenblatt Securities Inc. is not aware of any material conflict of interest as of the date of this publication.

**Compensation and Investment Banking Activities**

Rosenblatt Securities Inc. or any affiliate has not managed or co-managed a public offering of securities for the subject company in the past 12 months, nor received compensation for investment banking services from the subject company in the past 12 months, neither does it or any affiliate expect to receive, or intends to seek compensation for investment banking services from the subject company in the next 3 months.

**Additional Disclosures**

This research report is for distribution only under such circumstances as may be permitted by applicable law. This research report has no regard to the specific investment objectives, financial situation or particular needs of any specific recipient, even if sent only to a single recipient. This research report is not guaranteed to be a complete statement or summary of any securities, markets, reports or developments referred to in this research report. Neither VDSC nor any of its directors, officers, employees or agents shall have any liability, however arising, for any error, inaccuracy or incompleteness of fact or opinion in this research report or lack of care in this research report's preparation or publication, or any losses or damages which may arise from the use of this research report.

VDSC may rely on information barriers, such as "Chinese Walls" to control the flow of information within the areas, units, divisions, groups, or affiliates of VDSC.

Investing in any non-U.S. securities or related financial instruments (including ADRs) discussed in this research report may present certain risks. The securities of non-U.S. issuers may not be registered with, or be subject to the regulations of, the U.S. Securities and Exchange Commission. Information on such non-U.S. securities or related financial instruments may be limited. Foreign companies may not be subject to audit and reporting standards and regulatory requirements comparable to those in effect within the United States.

The value of any investment or income from any securities or related financial instruments discussed in this research report denominated in a currency other than U.S. dollars is subject to exchange rate fluctuations that may have a positive or adverse effect on the value of or income from such securities or related financial instruments.

Past performance is not necessarily a guide to future performance and no representation or warranty, express or implied, is made by VDSC with respect to future performance. Income from investments may fluctuate. The price or value of the investments to which this research report relates, either directly or indirectly, may fall or rise against the interest of investors. Any recommendation or opinion contained in this research report may become outdated as a consequence of changes in the environment in which the issuer of the securities under analysis operates, in addition to changes in the estimates and forecasts, assumptions and valuation methodology used herein.

No part of the content of this research report may be copied, forwarded or duplicated in any form or by any means without the prior.

**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