Market today: A glance at other markets

(Tuan Huynh- Ext: 1318)

Besides internal catalysts, Vietnam market's sentiment is currently affected by other markets' movements. Therefore, watching closely changes in some key markets would provide investors a key to recognize the turnover in our market's sentiment. Today, we reviewed short-term as well as long-term trends of some markets attracting mostly our investors, from crude oil, gold to Chinese market and the American market.

"A glance at other markets"

About the crude oil market, Brent oil price turned to decline after the end to Kuwaiti strike. Currently, this price dropped to USD40 per barrel. As our mentions yesterday, global supply and demand of crude oil would not change significantly until mid of this year. Therefore, this market was expected to trade in a side-away range of USD40-45/barrel. In our market analyst's view, he supposed in **the neutral scenario**, this price would trade in the slight upward channel (in the green channel in the below figure) but **in the worst scenario**, it could drop to USD35/barrel to retest the long-term's supportive level (expressed by the red line in the below figure). So, we believe the Brent oil price's movements would not so negative from now till mid of this year. And the second half of this year would probably see a new price range as probable changes in this market's fundamentals (mentioned in yesterday Analyst Pinboard).

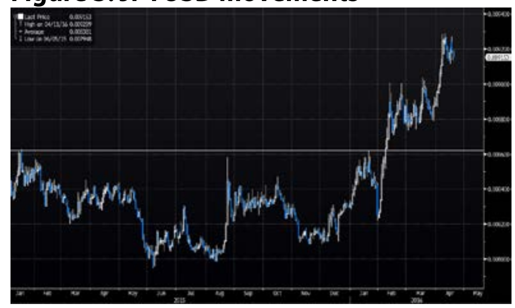
Figure 1: Brent oil price movements

Source: Bloomberg, Rongviet Research

Gold and foreign exchange markets remained their trends which have been established since the end of 2015. The gold price increased gradually as the depreciation in USD. However, in next months, especially in mid of June when the FOMC meeting would be held, if FED decides to hike the rate, these prices will fluctuate considerably with an expected drop in gold and an appreciation in USD). However, if FED keeps the rate unchanged, current gold upward trend will probably be extended to the second half of 2016.

Figure 2: Gold price movements

Figure 3: JPYUSD movements



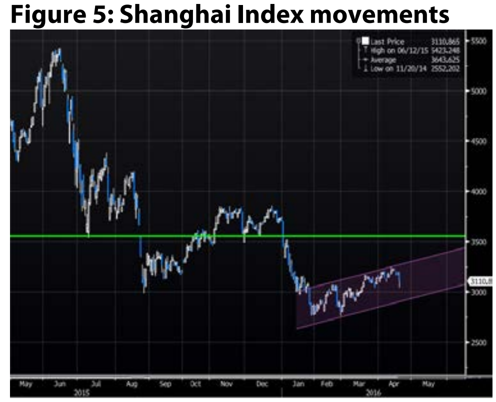
Source: Bloomberg, Rongviet Research

Besides, investors should keep cautious with companies' exposure to USD and JPY movements, for example the thermos power plant sector exposure to JPY. If this currency continues to appreciate in next quarters, companies in this sector will face huge FX losses. In the first quarter, PPC (a company in this sector) had huge unrealized FX losses of VND261 billion due to appreciation of 6% at JPY in the first quarter.

American and Chinese markets are seeing adverse movements in long-term as well as short-term trends. In long-term, SPX index (a benchmark for the American market) is trying to reach a new higher while Chinese market has movements as our market, dropping deeply in this week. In long-term view, Chinese market has yet broken out its downturn trend. However, this market, in short-term trend, has been trading in the slight upward channel since the early of this year. So, we expect to see a more obvious trend of this market in the mid of this year.

Figure 4: SPX movements

Figure 5: Shanghai Index movements



Source: Bloomberg, Rongviet Research

With above markets' movements, we supposed our market would face some risks in this month and even the next month if we do not see any changes in our internal factors in next sessions. For example, the foreigner ownership limited at VNM.

Analyst Pin-board

SHA AGM note – Impressive profit target

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Recommendations:

The market kept going down on reducing volume. Short-term trend turned bearish and trader should lower the stock/cash ratio and wait for indexes at lower supports.

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
HSG	39.5	**Hold**	06/04/2016	34.7	40.5		31.5			13.83%	Intermediate
KMR	7.2	**Sell**	06/04/2016	5.1	6.2		4.5	12/04/2016	6.2	21.57%	Intermediate
ITD	20.7	**Hold**	11/03/2016	18.7	22.0		17			10.70%	Intermediate
BCC	13.9	**Hold**	22/01/2016	13.7	15.0		12.5			1.46%	Intermediate
DNP	35.9	**Hold**	11/01/2016	20.0	24.0		18			79.50%	Intermediate
LHC	51.5	**Hold**	21/08/2015	40.5	49.0		37			27.16%	Long

Notes:
- **Buying Price** is the Close Price at Buying date. **Selling Price** may be the Target Price, Cutloss 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
VSC - Ready for a high and sustainable growth period	April 15th, 2016	Accumulate – Long term	76,000
DPM - Diversification product – a suitable strategy	April 14th, 2016	Accumulate – Intermedia term	32,500
PVS - Sufficient internal strength – Positive long-term prospects	April 04th, 2016	Accumulate – Intermediate term	18,000
PTI – Impressive growth	March 08th, 2016	Accumulate – Long-term	28,500
SVC - Profit driver switches from automobile to services segment	February 22nd, 2016	Accumulate – Long-term	41,800

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	04/14/2016	0.2% - 1%	0.5%-1.5%	24,660	24,750	-0.36%
VF4	04/14/2016	0.2% - 1%	0%-1.5%	11,123	11,181	-0.52%
VFA	04/8/2016	0.2% - 1%	0%-1.5%	6,734	6,697	0.56%
VFB	04/8/2016	0.3% - 0.6%	0%-1%	12,824	12,817	0.06%
ENF	04/8/2016	0% - 3%	0%	12,500	12,341	1.29%
MBVF	04/7/2016	1%	0%-1%	11,064	11,082	-0.16%
MBBF	04/6/2016	0%-0.5%	0%-1%	12,620	12,589	0.25%
VF1	04/14/2016	0.2% - 1%	0.5%-1.5%	24,660	24,750	-0.36%
VF4	04/14/2016	0.2% - 1%	0%-1.5%	11,123	11,181	-0.52%

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