AUGUST

29

MONDAY

"What a performance from leading tickers"

6 PM CALL

Market today: What a performance from leading tickers!

***(Hieu Nguyen** – Ext: 1514)*

Continuing last week's rally, the morning session started with VCB increased by 3,000 dong, resulting in VN-Index achieving 572 points. After VCB, VNM and MSN soon joined the act and drove VN-Index to 676.78 points (+1.35%). The index rose sharply, but not the market breath, as there were only 78 gainers versus 121 decliners. This scenario continued in the early afternoon; VNM surged by 9,000 dong at some point and helped VN-Index almost top 680 points, but the number of decliners also gradually increased. And as the role of these leading tickers came to an end, all the indices fell sharply. In the morning, VNMID up by 0.06%, VNSML down by 0.63% and VN30 up 1.18%, but by the end of the session, things got worse. VNMID lost 0.79%, VNSML loss 1.8%, and most of all, VN30 decreased by 0.07%, with 22 stocks fell and only 4 increased: VNM, MSN, BVH and BID**. Overall, VNIndex rose by 0.25% to 669.4 points, but decliners outweigh gainers by 2.5 times.**

VCB, whose price went ceiling last week due to information of 10% cash and 35% stock dividend, lost the momentum today. Today the company continued to announce its signing of a memorandum on the private issuance for Singapore fund GIC Private Limited (GIC), in which 7.73% additional share will be issued at a discount to current market price. The increased capital will be used for VCB's business operation: make investment in facilities and information technology, increase capital contribution to some existing affiliated companies, develop credit operation, and so on. Another important goal, in our view, is to strengthen its Capital Tier I, preparing to pilot Basel 2's standard requirement applied since Feb 2017. Besides 306 million shares issuing for GIC, the remaining 53.97 million shares will be issued for Mizuho Bank to maintain their current owning ratio (15%). SBV, Vietcombank's biggest shareholder, will not join the issuance, which result in their shares being reduced from 77% to 70%.

Many steel stocks, whose price increased greatly last week, faced the correction today. **However, RongViet Analyst is still optimistic on their performance in the long-term due to many support factors.** For example, HSG has just announced the details of its steel complex in NinhThuan province in order to take advantage from the global input price trend and the current tax favor from policy makers to domestic steel producers. Phase I is scheduled to complete in 2019 with a capacity of 1.5 million tons (per year) of rebar and the total investment is estimated at VND 10.2 trillion, excluding 2.7 trillion working capital. Thus, contrast to HPG's entry to the coated steel market with a medium-scaled plant, HSG tackles the rebar market by a massive plant (the second highest capacity after HPG's 1.8-million-ton mill). According to HSG's plan, HSG has prudently forecasted the ASP as well as set the gross margin target. However, its financing decision, in which 80% of total investment is funded from loans is likely to put interest burden on the company, as other details on the project's production and consumption potential are to be announced at its extraordinary general meeting on September 6th.

Regarding macro news, Jackson Hole annual meeting of central bankers ended last week with FED chair Janet Yellen speech, in which she stated that the case for rate rise has strengthened in recent months (market participants believed that it could happen in this 2016). Her statement was based on solid performance of the labor market and the outlook for economic activities and inflation.

Particularly, unemployment rate in US has been maintained at 5% or lower since October 2016, while US GDP growth in Q2/2016 reached 1.1% (slightly lower than the consensus estimate of 1.2%). The news may influence the trading activities of foreigners in Vietnam market in short-term.

As the capital was highly concentrated and leading tickers being pushed continually, the market has been showing its effort to approach the year high 681. However, even if it works, profit may be minor without agreement among stock sectors. Market movement today will likely lead to short-term speak, which is similar to what happen in last July, or in July 2015 when the market reached the 640 peak. Therefore, investors are encouraged to close position and take profit in high beta stocks as the market increases. The buy/sell reverse ETFs strategy is still recommended, but the price must be considered to avoid risk.

Analyst Pin-board

Vietnam seaports system - Cargoes volume carried on strong momentum

*(**Hoang Nguyen** – Ext: 1319)*

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RONG VIET NEWS

COMPANY REPORTS	Issued Date	Recommend	Target Price
TDH – Small firm, large potential	August 25th, 2016	Buy – Long term	15,800
PTB - Expanding stone production segment	August 22nd, 2016	Accumulate - Intermediate	150,000
IMP - Growth engines from the EU - GMP factories	Agust 16th, 2016	Neutral – Long term	50,400
SRF - Making full use of industry growth	August 4th, 2016	Accumualte – Long term	32,100
ITD - Growth dynamics from development of transport infrastructure	July 28th, 2016	Buy - Intermediate	34,900

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	25/08/2016	0.2% - 1%	0.5%-1.5%	28,774	28,778	-0.01%
VF4	25/08/2016	0.2% - 1%	0%-1.5%	12,793	12,816	-0.18%
VFA	19/08/2016	0.2% - 1%	0%-1.5%	6,604	6,630	-0.39%
VFB	19/08/2016	0.3% - 0.6%	0%-1%	13,282	13,213	0.52%
ENF	19/08/2016	0% - 3%	0%	14,223	13,974	1.78%
MBVF	18/08/2016	1%	0%-1%	11,598	11,513	0.74%
MBBF	17/08/2016	0%-0.5%	0%-1%	13,072	13,054	0.14%
VF1	25/08/2016	0.2% - 1%	0.5%-1.5%	28,774	28,778	-0.01%
VF4	25/08/2016	0.2% - 1%	0%-1.5%	12,793	12,816	-0.18%

ANALYSTS

Truc Doan – Head of Research

+ 84 8 6299 2006 | Ext: 1308

truc.dtt@vdsc.com.vn

Ha My Tran – Deputy Manager

+ 84 8 6299 2006 | Ext: 1309

my.tth@vdsc.com.vn

Tai Nguyen – Deputy Manager

+ 84 8 6299 2006 | Ext: 1310

tai.ntp@vdsc.com.vn

Lam Nguyen

+ 84 8 6299 2006 | Ext: 1313

lam.ntp@vdsc.com.vn

Diem My Tran

+ 84 8 6299 2006 | Ext: 1311

my.ttd@vdsc.com.vn

Huong Pham

+ 84 8 6299 2006 | Ext: 1314

huong.pt@vdsc.com.vn

Ngoan Phung

+ 84 8 6299 2006 | Ext: 1516

Ngoan.ptp@vdsc.com.vn

Kien Nguyen

+ 84 8 6299 2006 | Ext: 1320

Kien.nt@vdsc.com.vn

Trinh Nguyen

+ 84 8 6299 2006 | Ext: 1331

Trinh.nh@vdsc.com.vn

Thien Bui

+ 84 8 6299 2006 | Ext: 1321

Thien.bv@vdsc.com.vn

Hoang Nguyen

+ 84 8 6299 2006 | Ext: 1319

Hoang.nh@vdsc.com.vn

Hieu Nguyen

+ 84 8 6299 2006 | Ext: 1514

Hieu.nd@vdsc.com.vn

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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 8 6288 2006
- F +84 8 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 7789
- E info@vdsc.com.vn
- W www.vdsc.com.vn