



# Weekly market report

## April 11<sup>st</sup> 2014

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### Market in the week

Market statistic		
	VNI	HNX
Index	600.57	87.49
Change (%)	1.27	0.84
Volume (Mil)	464	287
Change (%)	-30.13	-35.51
Trading value (VNDBil)	9,438	3,432
Change (%)	-25.23	-33.28

Foreign trading		
Unit: Billion		
Exchanges	HSX	HNX
Buying value	1,214	73
Selling value	1,717	72
Buying-Selling	(503)	1

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### HSX:

After two consecutive rallied sessions at the beginning of the week, the index seemed to show signals of correction when it headed on the last peak at 610 points. The role of large-cap stocks began to rise by directly affecting the index's movement. The liquidity was the main concern of this week. It was noticeable that the market liquidity has improved in the same sessions that the index rose. This factor has created a huge supporting effect for the market sentiment after being suffered from a deep correction earlier. The highlight of this week was the positive performance of GAS and MSN by continuously increasing and creating support for the index. MSN was also the key stock in the last session by revealing its plan of 110 % of cash dividend. Moreover, in the last session, the index slightly fell but market liquidity did not increase. It showed that caution still influences the investor's sentiment and there will be no positive change due to lack of macro information supporting.

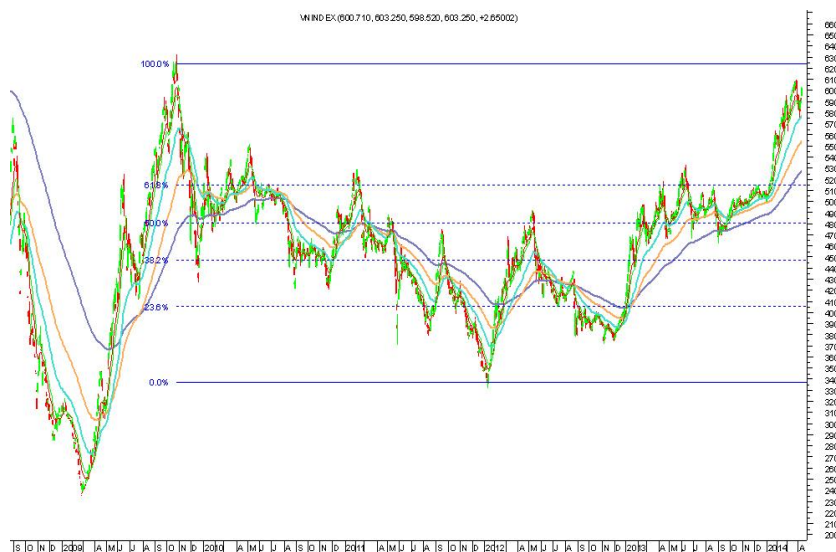
### HNX:

In the past week, the HNX-Index has not been as active as in the HSX. In addition, the index mostly fluctuated in a very narrow range. Most stocks were strongly adjusted including penny stocks and speculative stocks. Therefore, it was also understandable that the market liquidity fell significantly this week. Currently the capital flow has been strongly differentiated, mainly concentrating on stocks which are received supporting information, especially the positive business results in the first quarter of 2014. Due to the smaller scale of the market thus the chance of a recovery in HNX will hardly depend on initial revival of HSX in the upcoming time.

**Investment Recommendation:** By observing the market, it shows that investor's sentiment is stabilized somewhat compared to the sharp correction in the previous week. However, the recovery still lack of sustainable factors. Firstly, the market liquidity is still falling compared with an average of the last 15 sessions. Secondly, the index's recovery mainly comes from the traction of the bluechips. In terms of optimistic scenario, investors still need more tests to identify the stability of the newly formed bottom around the 575 point level in order to have an appropriate strategy of disbursement.

## TECHNICAL ANALYSIS

Forecast	VN-Index
The basic support level	590
The strong support level	580
The basic resistance level	610
The strong resistance level	625
<b>Trend</b>	
Short term	Sideways
Medium term	Increase
<b>Pattern</b>	
Short term	Head & Shoulders
Medium term	-



**Comment:** Thus, the index has remarkably recovered but did not exceed the last peak at around 610 points. The combination of the upper band of the Bollinger and the 100% Fibonacci resistance, which completely compensated for the earlier correction, has created a large obstacle. MACD showed a sign of convergence but has not crossed through the signal line, thus a Buy signal has not been recommended yet. RSI and MFI are moving neutral, partly reflects the uncertainty in the short-term trend. In case of falling down, a significant supporting level may appear around the 61.8% Fibonacci retracement, equivalent to 590 points.

Forecast	HNX-Index
The basic support level	87
The strong support level	85
The basic resistance level	90
The strong resistance level	93
<b>Trend</b>	
Short term	Sideways
Medium term	Increase
<b>Pattern</b>	
Short term	-
Medium term	Double Bottom



**Comments:** The index continued to rally this week but seems to reveal a temporary bottom which has been formed around 85.5 points. In terms of recovery, the index can rally to the strongest resistance around 90 points, or 61.8% Fibonacci retracement. In reverse, the temporary bottom at 85.5 points needs to be further tested, then a new trend can be established. The bollinger bands continue to tighten; this is a sign of the accumulation before a new trend. Liquidity rallied in the breakout session will bring new signals for trading strategies in the upcoming time.

## ECONOMIC OVERVIEW

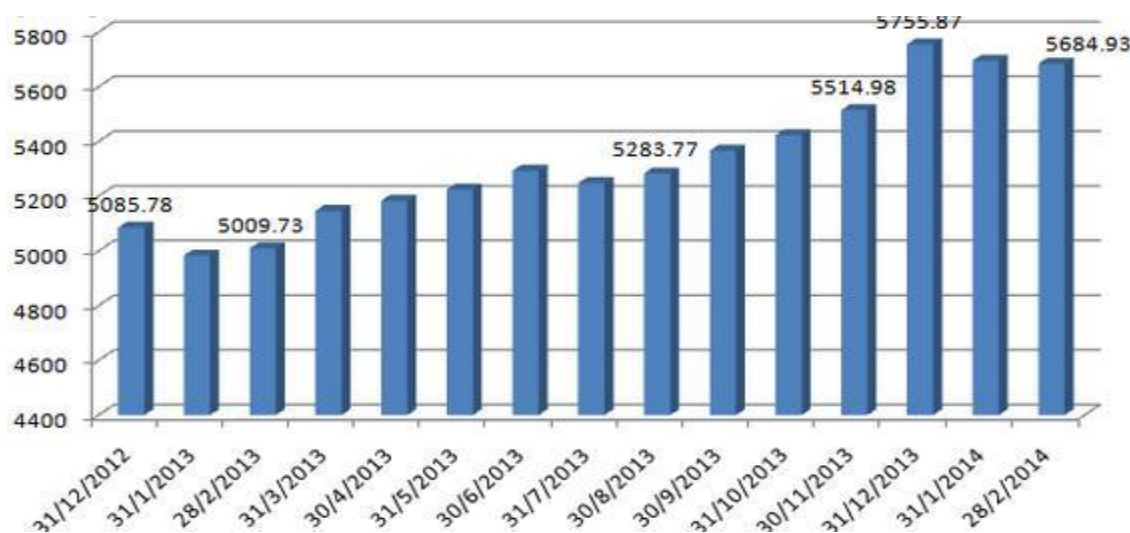
### Fed relieved fears of raising interest rates, stock market reacted positively

Minutes of the last policy meeting of the U.S. Federal Reserve (Fed) shows that the Central bank will support the economy more than the expectations of investors and allay fears of raising interest rates. In March, 2014 Fed Chairman Janet Yellen has led investors to panic when she announced the stimulus program of the Central bank which is likely to end in this fall and the first rate hike could take place as early as 2015.

### Banking assets fell by nearly VND 71 trillion in the first 2 months

The State Bank has announced a number of basic criterions for the operation of credit institutions to the end of Feb, 2014. Accordingly, by the end of February, the total assets of the banking system reached VND 5,684.93 trillion, down by VND 11,110 billion compared with the end of January, 2014 and decreased by VND 70,940 billion compared to the end of 2013. However, the total assets of the system have increased VND 675.2 trillion compared to the end of Feb 2013.

**Banking assets from Dec, 2012 to Feb, 2014**



Source: SBV, FPTs (VND trillion bil)

### ETF Funds Summary of VNM and FTSE

On 10<sup>th</sup> April, 2014, the VNM fund has continued to raise 100,000 VNM shares, equivalent to mobilize VND45 billion. This was also the 4<sup>th</sup> consecutive sessions that VNM fund implemented to raise capital so far. This brought the total number of outstanding shares to 24.1 million. In addition, the %premium has slightly decreased from 2.76% (by 08<sup>th</sup> April) to 1.03% (by 10<sup>th</sup> April).

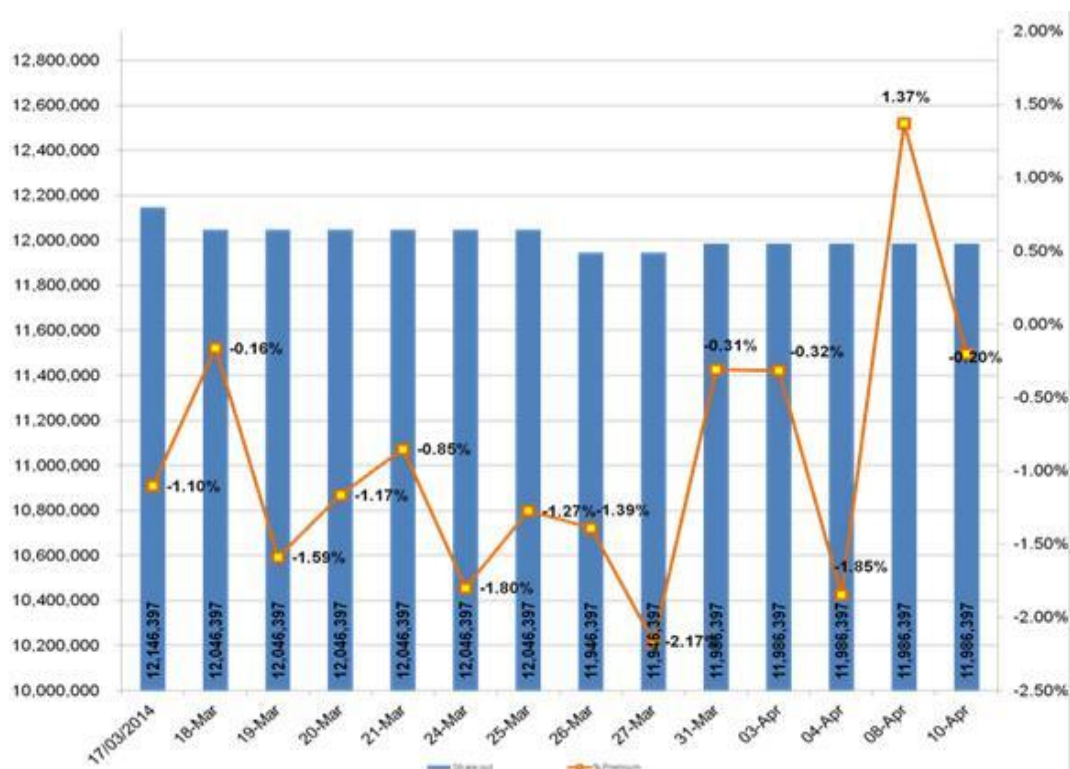
The total fund's assets reached USD515.2 million as of 10<sup>th</sup> April, 2014. Thanks to high %premium, it created favorable chance for VNM fund to raising capital in the recent sessions. At this premium level, VNM still enable to mobilize in the next several trading sessions.

For FTSE ETF Fund, its outstanding shares still remained 11,986,397 shares. However, the growth of %premium has been more positive when further increased from -1.85% (by 07<sup>th</sup> April) to 1.37% (by 08<sup>th</sup> April)

### Outstanding Shares and %Premium of VNM Fund



Outstanding Shares number and %Premium of FTSE Fund



Source: FPTS

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