

## Vietnam Monthly Review 04/2016

### BSC Research

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### Macro

- The manufacturing sector has recovered: industrial production index increased by + 7.9% YoY, PMI hit the highest at 52.3 points in the last 9 months.
- CPI continued to increase due to higher price pressure from oil, health services and education.
- Disbursed FDI stayed at \$ 1.2 billion in April; registered FDI increased to \$ 2.8 billion.
- Trade surplus of US \$ 100 million in April has raised total accumulated trade surplus since the beginning of the year to US \$ 1.46 billion.
- Exchange rate remained stable, long-term lending rates fell slightly at some banks.

### Stock market

- After overcoming strong resistance at 580 points, VN-Index is approaching the psychological resistance level of 600 points. The close of trading sessions on March 31, VN-Index and HNX-Index closed at 598.37 points and 80.68 points points, up 6.6% and 2.1% from the previous month.
- Foreign investors traded in the different direction on two floors in April. Specifically, they are net sellers on the HSX 1532 billion and net buyers 282 billion on the HNX.
- P/E of VN-Index and HNX-Index reached 13.03 and 10.52, respectively, slightly higher than the value P / E of the previous month and remained at a low level compared to other countries in the region.

### Our recommendation

- May also began with the hypothesis about Sell effect in May. Statistics of May movement in the period 2004-2015 (please see the statistics at the end of the report)
  - VN-Index only rose by 4 times (an average increase of 13.9% / year), while it decreased by 8 times (an average decline of 8.3%/year)
  - VN-Index had growth by 2 times after May in the last 3 years (2013-2015);
  - VN-Index has never increased in May in 2 consecutive years.
- On the basis of evaluation of market information, the VN-Index script is proposed consultancy in May:
  - **Due to foreign investors continued buying in April, VN-Index can exceed 600 points in the first week in May.** Please note about the possibility of adjusting at strong resistance level of 615-620 points and the cumulative reduction of 580 point. The buy of foreign investors and the recovery of world commodities will be the driving force for the VN-Index which will test and exceed psychological level of 600 points. Information on the visit of US President Barack Obama can warm TPP agreement and bring positive psychological factors. Current liquidity does not increase correspondingly with the growth of price, so the market increases unsustainably. If the market does not have new elements, the adjustment process will take place with support level at 580 points.
- For details, investors can refer our following reports:
  - Vietnam Sector Outlook 2016Q2;
  - Vietnam Weekly Review;
  - [Other Sector & Company Reports.](#)

# Vietnam Macro in 04/2016

## Economic growth

- Industrial production has recovered slightly after declining in March;
- PMI rose sharply, hitting the highest level in recent 9 months;
- Retail sales has rebounded, of which the highest is retail sales of goods;

Industrial manufacturing sectors have risen again, however, the growth rate is still insignificant. Declining in growth of mining industry is still the main factor that slowed down growth of industrial production; Meanwhile, the processing industry has lost increasing momentum due to the decline of the food processing industry and textiles. IIP index increased by + 7.9% YoY IIP in April from + 6.2% YoY March.

The industrial manufacturing sector, including metals, electronic products, and electrical, surged.

As of 01.04.2016, the consumption rate of the processing industry manufacturing rebounded after falling sharply in February. Sales volume was up + 36.5% from -24.1% MoM, equivalent to an increase of 10.2% YoY. Inventory of processing industries also recovered slightly, returning to + 8.9% YoY growth (in January), after decreasing to + 8.7% YoY in February.

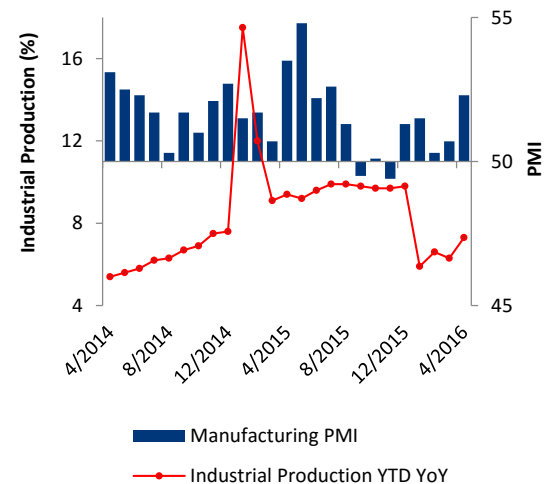
PMI in April jumped to record levels in the last 9 months thanks to the strong increase of new orders. PMI reached 52.3 points, in the context that business conditions improved significantly.

Retail sales of goods and services in April rebounded slightly after falling sharply in March. Total retail sales in April reached VND 279 trillion, up 8.5% YoY. Total accumulated

retail sales hit VND 1138 billion, up 8,8 % YoY, or up 7.5% without considering inflation.

Chart 1

Industrial Production & PMI



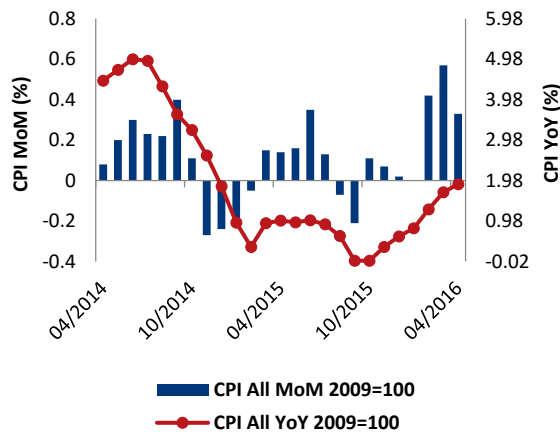
Source: GSO, Markit, BSC Research

## CPI

- CPI in April to continue rising;
- Gasoline and steel prices were responsible for rising CPI;
- Healthcare and education service prices also increased; others changed little;

In April, CPI rose 0.33% CPI MoM (lower than + 0.57% MoM in March), up 1.89% YoY.

Chart 2  
**Monthly CPI movements**



Source: GSO, BSC Research

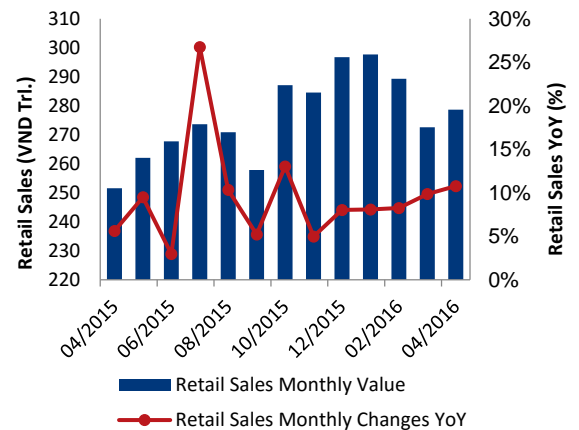
**The main factors that contributed to rising CPI in April are transport, housing and construction materials.** Specifically, both the transport and housing groups are affected by the price rise of gasoline and oil. In addition, building materials are also affected significantly due to protective duties levied on goods and long steel billet imports. The remaining items did not change much about the price.

Table 1  
**Monthly goods price changes (%)**

TT	Goods/Services	MoM (%)	YoY (%)
1	Foods and Catering Services	0.00	1.89
2	Transportations	1.73	-10.79
3	Health Cares	0.45	26.77
4	Housing, Construction Materials	0.71	2.06
5	Entertainment	-0.01	1.62
6	Beverage and Cigarette	0.17	2.46
7	Clothing	0.05	2.44
8	Housing Appliance	0.10	1.22
9	Education	0.37	4.53
10	Telecommunication	0.00	-0.60
11	Others	0.10	1.84

Source: BSC Research

Chart 3  
**Retail sales**

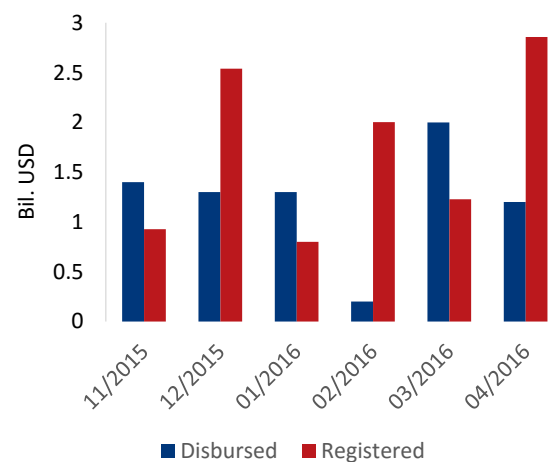


Source: GSO, BSC Research

## Foreign Direct Investment (FDI)

- Despite the deceleration from the previous month, disbursed FDI in April remained at a high level;
- Registered FDI jumped in value in April.

Chart 4  
**FDI in Vietnam (USD Bil.)**



Source: GSO, BSC Research

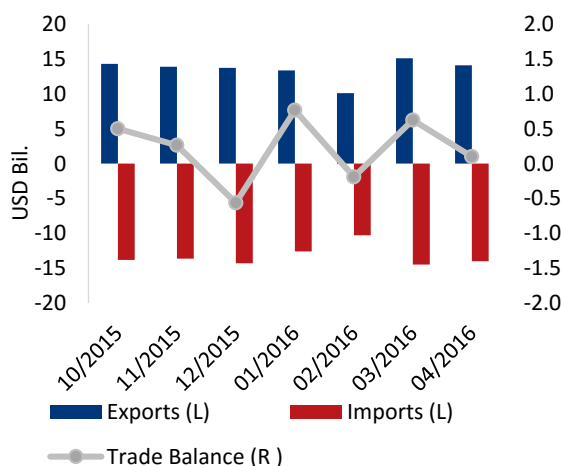
**Disbursed FDI in April is USD 1.2 billion**, down from USD 2 billion in March (-70% MoM), but still up 4.3% YoY. Generally, disbursements in the past month has been very positive.

**Newly registered FDI increased further to 2.85 billion in April**, exceeding the USD 1.2 billion in March (+ 132% MoM), up 52% YoY. 4-month accumulated FDI rose to 6.88 billion dollars, up 85% YoY. Manufacturing and processing sectors with the strongest growth in percentage soared to 76.2% from 72.2% of total FDI registered in the previous month.

### Trade, Import-Export

- **April trade surplus estimated at USD 100 million.**  
4-month accumulated surplus reached USD 1.46 billion;
- **Trade surplus in March is, in fact, much higher than estimated: + USD 624 million** instead of + USD 100 million from the previous estimate.
- **Trade volume declined after expanding in the previous month. In particular, exports fell sharply than imports.**

Chart 5  
Trade balance (USD Bil.)



Source: GSO, BSC Research

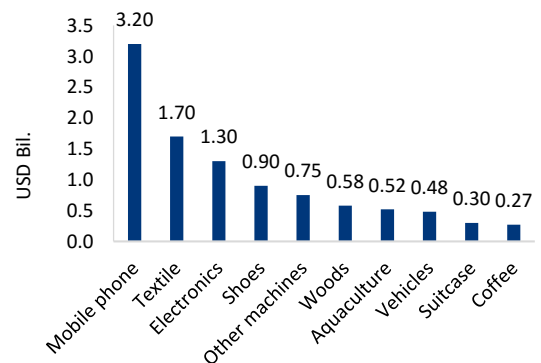
Revision of fact shows that the trade deficit in March increased to + USD 624 million instead of the estimated + USD 100 million due to an actual increase of exports is higher than the actual increase of imports (actual exports

increased USD 917 million compared with estimates, while real imports rose USD 393 million compared to estimates).

In 4/2016 May, Vietnam exported USD 14.1 billion (down 6.7% MoM, 4.5% YoY). Meanwhile, Vietnam imported USD 14 billion (down 3.4% MoM, 7.3% YoY).

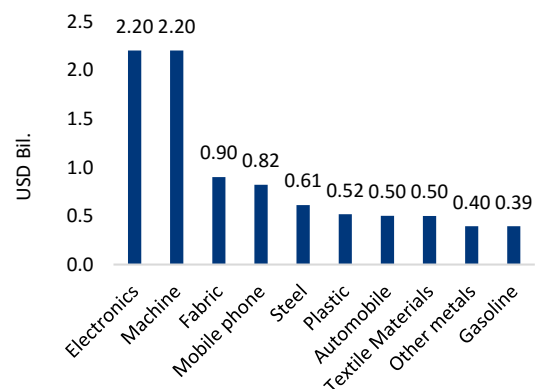
Compared to the previous month, exports fell, in which exports of foreign investment sectors fell sharply (-8.5% MoM), export of the domestic sector dropped -2.1% MoM. Import activity decreased though slower, mainly from the areas of foreign investment, while the imports of domestic sectors still increased slightly.

Chart 6  
Top 10 exported goods (USD Bil.)



Source: FIA, BSC Research

Chart 7  
Top 10 imported goods in 2015 (USD Bil.)



Source: FIA, BSC Research

Regarding exports, the majority of the goods turnover fell, including staples groups which fell sharply: Phone decreased -10% MoM, Textile and Electronics decreased -9% MoM, Machinery and equipment decreased -7% MoM. Cashew is one of a few commodities that maintained growth from the previous month, with the turnover increased by 27% MoM.

On the import side, most of the goods turnover also decreased. Electronics and Machinery are 2 main import items, declined by -11% and -4% MoM. Fabric, which belongs to top 3 import turnover, has increased by 9% MoM. The strong imported commodities are Wood (+ 25% MoM), Fisheries (+ 29% MoM), Means of transport (+ 17% MoM).

## Foreign Exchange Market

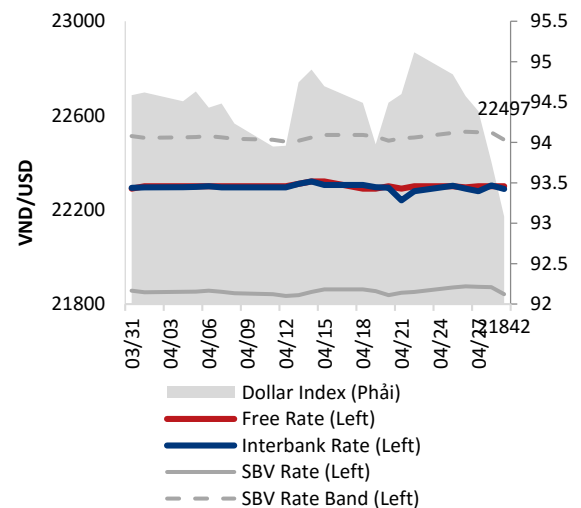
- **Foreign exchange market continued to enjoy a quiet trading month;**
- **USD continued to weaken, the Fed kept current interest rates in April FOMC meeting;**
- **JPY soared** amid BOJ took no actions despite falling inflation in Japan.

**Interbank rates in April continued to fluctuate very narrowly, shrank back to 22.240- 22,320 VND/USD from 22.275- 22,371 VND/USD in the previous March.** The average rate for the month is 22,294 VND / USD, down slightly from 22,300 VND / USD in the previous month.

**Free exchange rate plummeted sharply in trading band last month, down to 22290- 22320 VND / USD from 22290-22370 VND / USD in January 3.** However, the average exchange rate freedom in May fell slightly, losing about 22 301 from 22 306 VND / USD in the previous month.

Chart 8

Exchange rates



Source: Bloomberg, BSC Research

**USD index on the world market continued to decline in April, ranging from 93.08 to 95.12 versus from 94.59 to 98.35 in March.**

## Bank – Interest Rate

- **The deposit and lending rate remained stable;**
- **Short-term interbank (les than one week) fell sharply, rose slightly in the longer term (more than 1 month).**

**Interest rate levels remained stable compared to previous month. Notably, medium and long term loans rate are adjusted at some banks after Governor Le Minh Hung encouraged banks to cut costs and reduce interest rates.**

Lending rates for production and business sectors stayed at 6.8-9% / year for short-term, 9.3 -11% / year for medium and long term. For some areas of priority, the interest rates prevalent at 6-7% / year for the short term and from 9- 10.5% / year for medium and long term. USD lending rate was kept stable at around 3- 5.3% for the short term and 5.3- 6.2% for medium and long term.

### Stable deposit rate in comparison with the previous month.

Table 2

#### Lending rates

Terms	2015	2016M4	Changes
VND short-term	6.8 - 9	6.8 - 9	0
VND mid & long-term	9.3 - 11	9.3 - 11	0
USD short-term	3 - 5.3	2.8 - 5.2	-0.2
USD mid & long-term	5.5 - 6.5	5.3 - 6.2	-0.3

Source: SBV, BSC Research

Table 3

#### Deposit rates

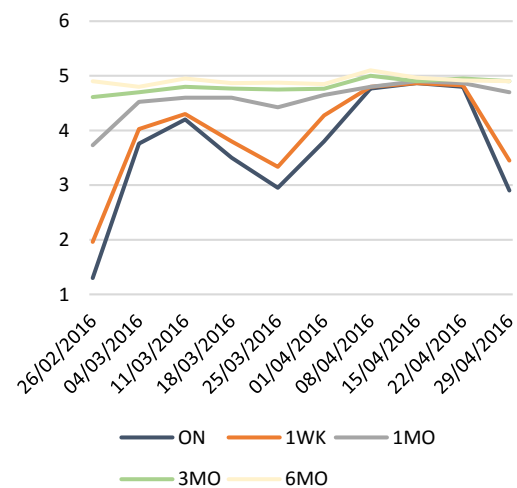
Terms	2015	2016M4	Changes
<b>VND</b>			
VND Demand deposit and below 1 month	0.8 - 1.0	0.8 - 1.0	0
VND 1 month - below 6 month	4.5 - 5.4	4.5 - 5.4	0
VND 6 month - 12 month	5.4 - 6.5	5.4 - 6.55	0.05
VND above 12 month	6.4 - 7.2	6.4 - 7.3	0.10
<b>USD</b>			
USD for people	0	0	0
USD for enterprise	0	0	0

Source: SBV, BSC Research

**Interbank interest rates remained stable during the first 3 weeks of the month, then fell on the last week, especially at the short term rates.** At the end of the month, the interest rates decreased to 2.9% - 3.45% from 3.8% - 4.27% / year for the overnight and less-than-1-week interest rates. At longer maturities, interest rates rose slightly to 4.7% from 4.65% / year for 1-month period and increased to 4.9% from 4.76 to 4.87% / year for interest ranging from 3-6 months.

Chart 9

#### Interbank rates



Source: SBV, BSC Research

## Vietnam Macro Outlook in 5/2016

**May brings more positive expectations in the context that macroeconomic parameters have shown certain improvements.**

On the international level, (1) The recent recovery of China, with (2) The decline of the dollar before the Fed's cautious attitude has pushed global commodity prices up. Inflation in many countries in the world capable of brighter, meet the expectations of many economies that are stagnant.

On the domestic level, the focus points in the upcoming months can be listed as follows:

- (1) **TPP, expectations regarding the benefited industry heats up ahead of a visit by President Barack Obama to Vietnam**, which is expected by the end of May (see [Macro Insights: Đàm phán TPP và tác động đến các ngành](#)).
- (2) **World commodity price keeps recovering trend**. Many items have exceeded the average price in 2015. Focus on the oil and gasoline groups, agricultural groups, including natural rubber, and especially metals group with steel case is typical in the context of anti-tax policies new import dumping steel is applied early May (see [Sector & Company Insights: Commodity price vs stock price movements](#) and [Sector Research: Ngành Cao su](#)).
- (3) **Inflation continues to rise in the coming months**. Fuel prices acts as a catalyst transmission increases the price factor into most CPI components group.
- (4) **VND becomes cheaper compared to other currencies other than the US dollar because VNDUSD stayed almost unchanged, while the dollar is depreciating against many other currencies**. This movement is (i) supporting factors for exports and production in the coming months, however, (ii) a negative impact to business groups whose debts are denoted in foreign currency and JPY EUR.

Table 4

**Vietnam Macroeconomic data**

Criteria/Month	2015M10	2015M11	2015M12	2016M1	2016M2	2016M3	2016M4
GDP yoy (%)	-	-	6.68	-	-	5.46	-
GDP ytd yoy (%)	-	-	7.01	-	-	5.46	-
PMI	50.5	49.4	51.3	51.5	50.3	50.7	52.3
IIP yoy (%)	8.8	8.9	9.0	5.9	7.9	6.2	7.9
IIP ytd yoy (%)	9.7	9.7	9.8	5.9	6.6	6.3	7.3
Retail Sales yoy (%)	6.7	6.6	9.5	11.7	6.6	8.8	8.5
Retail Sales ytd yoy (%)	9.6	9.4	9.5	11.7	9.7	9.1	8.8
Retail Sales ( <i>price adjusted</i> ) (%)	8.4	8.3	8.4	11.0	8.3	7.9	7.5
CPI mom (%)	0.11	0.07	0.02	0	0.42	0.57	0.33
CPI yoy (%)	0	0.34	0.6	0.8	1.27	1.69	1.33
Registered FDI (USD Bil.)	19.3	0.92	2.54	1.33	2.00	1.23	2.85
Disbursed FDI (USD Bil.)	11.8	1.4	1.3	0.8	0.2	2.00	1.2
Exports (USD Bil.)	14.3	13.9	13.7	13.4	10.1	15.1	14.1
Imports (USD Bil.)	13.8	13.6	14.3	12.6	10.3	14.5	14
Trade balance (USD Bil.)	-4.1	-0.2	-0.6	0.76	-0.19	0.62	0.1
FX (VND/USD)	22,350	22,430	22,506	22,407	22,325	22,300	22,294
Credit growth (%)	12.51	13.98	17.17	-0.2	0.39	1.54	-
Non-performing loans (%)	-	-	2.72	-	-	-	-

Source: BSC Research



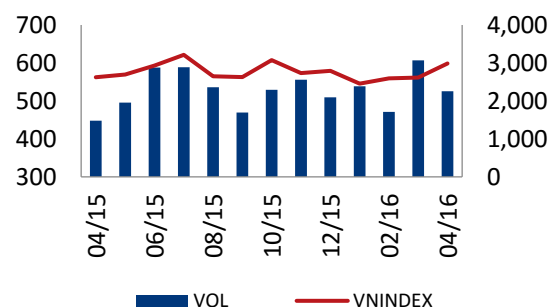
# Vietnam stock market movements in 2/2016

## Market overview

Market continued to maintain momentum in March, VN-Index and HNX-Index continued impressive growth in April, mainly due to the leadership of the oil and gas stocks and financial groups (insurance, banking ). After overcoming strong resistance at 580 points, VN-Index is approaching the psychological resistance level of 600 points. The close of trading sessions on 31 April, VN-Index and HNX-Index closed at 598.37 points and 80.68 points points, up 6.6% and 2.1% from the previous month.

Chart 10

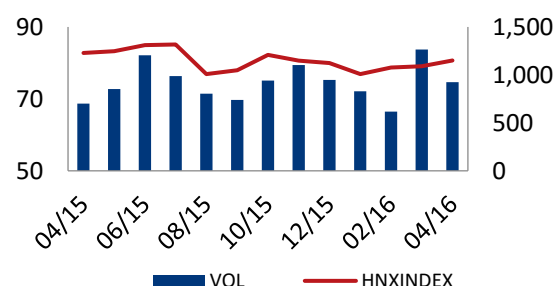
### VN-Index movements



Source: HSX, Bloomberg, BSC Research

Chart 11

### HNX-Index movements

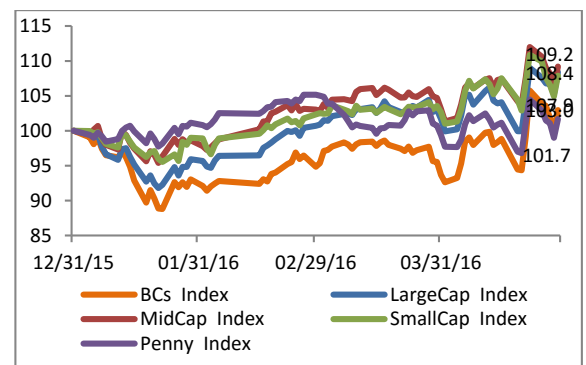


Source: HNX, Bloomberg, BSC Research

## Stock movements by capitalization size

Chart 12

### Movements of the index groups



Source: Bloomberg, BSC Research

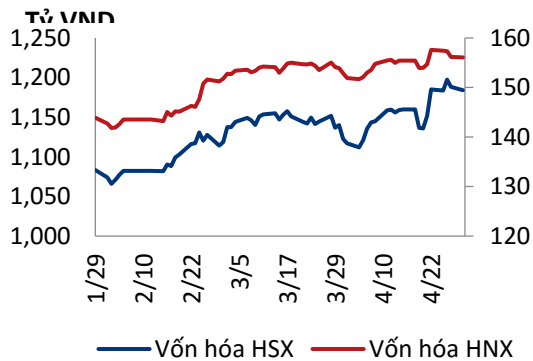
**BCs stocks rose the most in April.** Specifically, BCs groups were the most increasing on the market with an increase of 9.3%, the LargeCap group and MidCap group rose 6.7% and 6.1 %. Penny group rose slightly 2.3%, no group declined in April. This shows that the market is a certain consensus among stock groups, and quite sustainable rally as being led by the large cap group.

## Market capitalization

Market capitalization on both exchanges was 1,340 1,293 trillion (equivalent to 62.9 billion US dollars), up 3.6% compared to March 2016. Capitalization changed significantly compared to the previous month's increase due to the increase in stock prices, mainly large-cap stocks such as VCB, VIC, PVS, GAS.



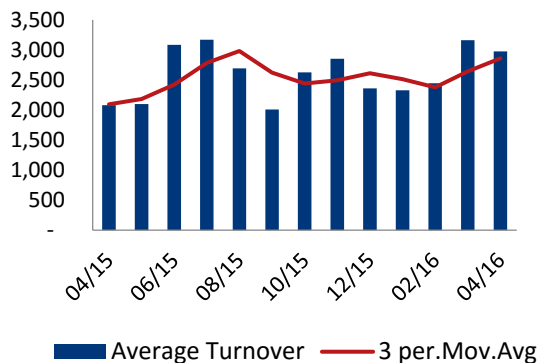
Chart 13  
**The scale of market capitalization**



Source: Bloomberg, BSC Research

### Market liquidity

Chart 14  
**Average trading value**



Source: Bloomberg, BSC Research

Average monthly liquidity in April 2016 fell slightly 5.9% to \$ 2976 billion VND / session, although this level is still higher than the average trading value of last 3 months. The slight decrease in liquidity can be explained due to the cautiousness of investors when the VN-Index turns approaching the strong resistance level of 580 points and 600 points in last April.

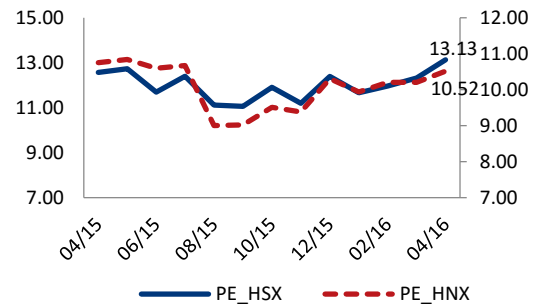
### Stock price level

P/E of VN-Index and HNX-Index reached 13.03 and 10.52, respectively, slightly higher than the value P / E of the previous month and

remained at a low level compared to other countries in the region.

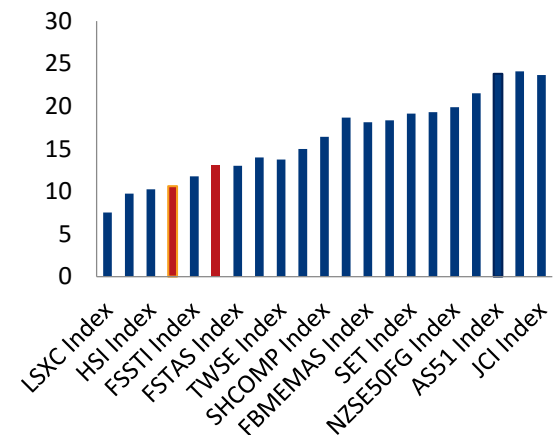
The rise of the stock in April helped the rise of P / E of the bull market. Specifically, P / E of VN-Index and HNX-Index reached 13.03 and 10.52 values, continue to stand respectively 4th and 6th out of 20 countries in the region, these positions are not much different from March 2016.

Chart 15  
**P/E movements**



Source: Bloomberg, BSC Research

Chart 16  
**Vietnam P/E compared to other countries in the region**



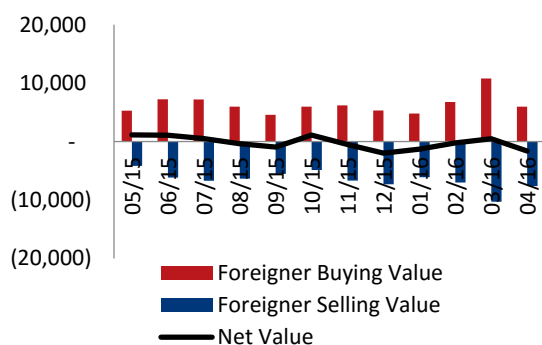
Source: Bloomberg, BSC Research

### Foreign investors' transaction

Foreign investors traded in the different direction on two floors in April. Specifically, they are net sellers on the HSX 1532 billion and net buyers 282 billion on the HNX.

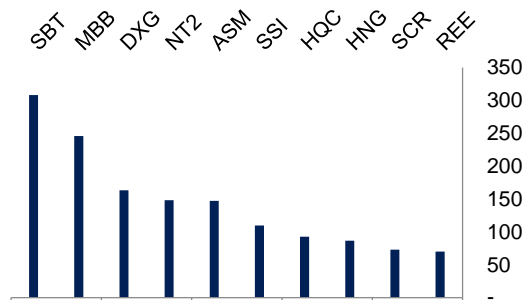
The shares were the top of buy in April 2016 including SSI (425 billion), HPG (249 billion) and GAS (235 billion). In reverse, the shares were the top of sell including VIC (2675 billion), VSH (327 billion) and MSN (271 billion).

Chart 17  
**Foreign transaction in HSX**



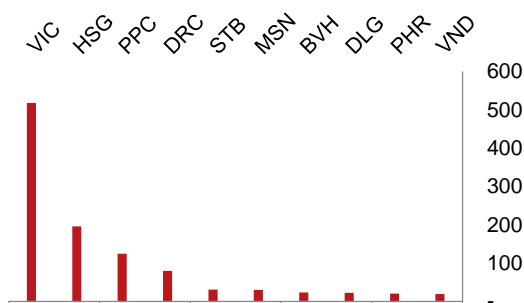
Source: BSC Research

Chart 18  
**Top 10 stocks net buying by foreigners**



Source: BSC Research

Chart 19  
**Top 10 stocks net selling by foreigners**



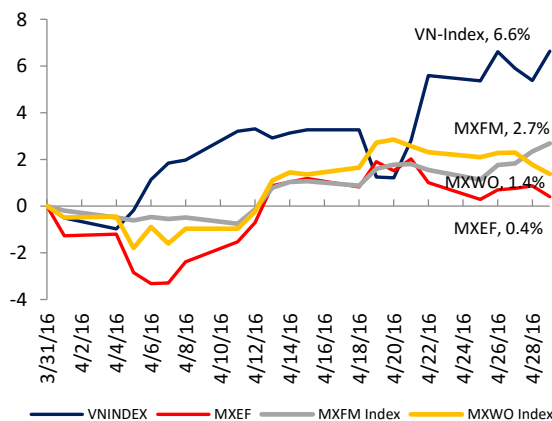
Source: BSC Research

## Market outlook in 5/2016

The Fed meeting taking place from April 26th to April 27th is not surprise when FED still keep interest rate and only adjust interest rate at the meeting in June 14th- 15th as the previous comments. This decision with the decisions of the BOJ and EU unchanged policy, China has signs of recovery to help stock market in the world remain stable on April. Stock market in the developed countries maintain slight rise momentum, the divergence in emerging market and the risen of marginal market following the major markets. Commodity markets in the world continue recovering, not only create big price fluctuation of many basic goods, but also impact positively on the related stocks to support for the global stock market. The impact of this event is analyzed on the reports: Updates of Oil and Gas sector, Update of natural rubber sector, Report of Elnino, fluctuation of commodity and stock price in February, March and April.

Developed and emerging market groups have signs of leveling off after strong growth in March. Marginal market rise more lately than them to sustain rise momentum, be nearly 2 times as more as the growth of global stock index of 14%.

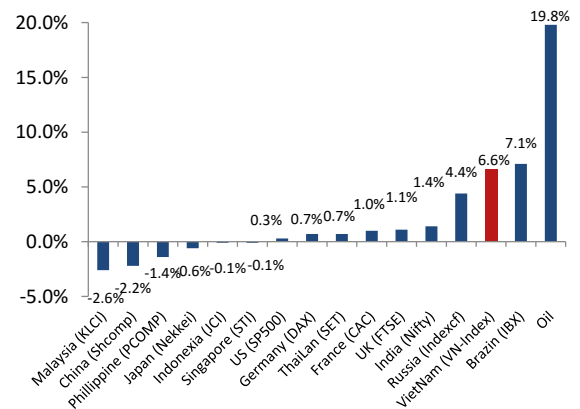
Evolution of major stock indices in April



Source: BSC Research

After rising 13% in March, the MSCI index in emerging countries increase by only 0.4% and have greater differentiation, this index in Brazil rising 7.1%, in Russia rising 4.4% and in India rising 1.4% while in China reducing 2.2% and the Asia area market decreased by 1% on average. The stock market of developed countries including the US, Europe has an average increase of 0.7%, excluding Japan reduce 0.6%. With a strong growth of 6.6% on April, the Vietnam stock market has the outperformed growth compared with 2.7% growth of the emerging markets group. Moving slower than the world market in March, Vietnam stock market still catch up an average increase of the market in the past two months.

Evolution of key markets in April



Source: BSC Research

Prices of many commodities in the world continue recovering strongly. The Bloomberg commodity index rise 11.7% goods Bloomberg YTD. The remarkable increase in the basic commodities groups such as:

- Energy group, with the growth of 19.8% in April, oil price have officially exceeded \$40/ barrel in early year and have increase of 10.4%.

- Metal group, gold price surged 21.5% in earlier year, though still less than the increase of 28% of silver and 51.6% of the iron ore.

- Agricultural group, soybean price rise 19.6%, followed by sugar price rise 11.6% and corn price rise 6.2%.

If the price of energy and metal recovered from the shift of investment channel as price fell (oil and metal because of the expectation of supply and demand balance in 2016 and the recovery of the Chinese economy), the monetary policies of the major countries, the recession of the US economic (Fed keep interest rate in April to support gold price rise), the prices of agricultural products increase mainly due to the climate change is lastly affected by Elnino.

Foreign investment flow is mostly net purchase in the region, support for market trend. Except net withdrawal activity had not decline in the Chinese market, foreign investor returned to strongly buy in Japan and Korea market. Foreign investors withdrew a net \$ 73 million in Vietnam market in April, but the net withdrawal activity occur primarily because of the net withdrawal of shares from convertible bond VIC. Excluding the accepted transaction value of VIC, foreign investor bought reality 1,694 billion equivalent USD 75.9 million in April.

*Table: Foreign investors net withdrawal in region in March 2016*

Country	Net trading in January (million USD)	Net trading February (million USD)
India	552	1,766
Indonesia	51	367
Japan	15,409	(44,880)
Phillippines	(39)	37

S. Korea	1,826	2,584
Sri Lanka	(7)	(21)
Taiwan	722	5,703
Thailand	(145)	399
China	(44,300)	(237,610)
Pakistan	(20)	(120)
Vietnam	(73)	(121)

Source: Bloomberg, BSC Research

Vietnam stock market has good growth and approaches the psychological 600 points in April, surpassing the positive forecast of us. Since the slow campaign in April, VN-Index surpassed the critical resistance of 580 points because of the guidance of the shares of BCs as GAS, VNM, VIC and VCB, large stocks rise because of purchase promotion of foreign investor and cash flow movement in the sector benefited from rising of raw materials prices in the world.

Centre stock group of the market in April focus on the group:

- The office stocks led the market, the big stocks are bought more by foreign investment: GAS (24.4%), VCB (12.2%), VIC (11.2%), VNM (3.7%), BID (4.8%), BVH (22%), KBC (8.6%), PVT (10.6%), KDC (11.9%), HPG (13.5%), HSG (36.2%) and MBB (5.6%).
- The stocks have business result improved in quarter 1 and positive news: VCB, VNM, VIC, HSG, MSN,...
- The stocks benefited from the wave movement of goods such as oil (GAS, PVD, PVS, PGD, PXS,), Steel (HPG, HSG, NKG,), Sugar (LSS, SBT, BHS,).

Last month, the stocks are mentioned in the reports divided into some groups and most of them have good development: the rubber group PHR, TRC; insurance stocks PTI; Steel HPG, HSG; NKG; textiles EVE; chemical CSV,

Concrete: PDB; port GMD; some groups have no positive development as much as expected as TMT; CAV; BCC.

In the context of the market being in low-lying area after director board and announcement of business result in quarter 1, foreign investors increasing buying is noticeable sign in the short term. Through some sources no verified, purchase of foreign investor is mainly investment in the form of P-Notes issued by foreign investment banks in Vietnam. Although we could not determine the scale and time purchase, this cash flow is important for psychological expectation exceeded 600 points in May.

Factors affecting the market in May 2016

Events	The impact on the stock market
The effect and new policy of senior leadership granted tenure in 2006 - 2010	
Positive	
Purchase of foreign investment, P-Notes	Positive
Obama President visits Vietnam	Positive psychology
2 RTF announce portfolio structure	Neutral
Business result in 2015, preliminary first quarter, director board information (business plan and dividend payment in 2016, open room, ...)	Saturate, impact negligible

May also began with the hypothesis about Sell effect in May. Statistics of May movement in the period 2004-2015 (please see the statistics at the end of the report)

VN-Index only rose by 4 times (an average increase of 13.9% / year), while it decreased by 8 times (an average decline of 8.3%/year)

VN-Index had growth by 2 times after May in the last 3 years (2013-2015);

VN-Index has never increased in May in 2 consecutive years.

Therefore, Sell effect in May seems to be historical backing when the market fell by 12 times in May of last 12 years. In May of this year, Can Vietnam's stock market be against history as happened in the 2007, 2009, 2013 and 2015.

On the basis of evaluation of market information, the VN-Index script is proposed consultancy in May:

- **Due to foreign investors continued buying in April, VN-Index can exceed 600 points in the first week in May.** Please note about the possibility of adjusting at strong resistance level of 615-620 points and the cumulative reduction of 580 point. The buy of foreign investors and the recovery of world commodities will be the driving force for the VN-Index which will test and exceed psychological level of 600 points. Information on the visit of US President Barack Obama can warm TPP agreement and bring positive psychological factors. Current liquidity does not increase correspondingly with the growth of price, so the market increases unsustainably. If the market does not have new elements, the adjustment process will take place with support level at 580 points.

On the basis assessment of current information, we favor the first script and suppose that the market may exceed 600 points in May and fluctuate from 580 pts 615 pts, as well as the important assistance and resistance levels of VN-Index. The process of

adjustment can take place from 1 to 2 weeks in the end of May.

Detail of stocks selected to recommend for investors can refer to in the report:

- Stock group benefited from TPP (refer to Macro Insights Report: TPP negotiations and the impact on the sectors). Direct Sector: Textile, wood, industrial, automotive distribution; indirect sector such as infrastructure, seaport, logistic. Sectors that Vietnam export more to the United States, such as textile, footwear, seafood ... will be noted the line of planned visit event of US President to Vietnam.
- Stock group benefited from rising commodity price (refer to [Sector & Company Insights Report: Volatility in commodity price and stock price](#)).
- Food stock group, fisheries (foreign export expectation base on improved exchange rate, and the domestic consumption expectation following concern about fish in the Central region).
- Stock group have business result in quarter 1, or dividend, put the business plan at a high level.
- In the long term, the recommendation stock of the BSC will be addressed in the sector outlook 2016 ([Link](#)), stocks changed positively will recommend in the weekly Investment Advisory report and sector/ business update report ([Link](#)).

Statistic of the security indices in May:

	Austral- ia	China	Hong Kong	India	Japa-n	Kore-a	Taiwa-	Asia (excludi ng Japan)	Asia Pacific (excludi ng Japan)	ASEA- N	Viet Nam
2004	0.4%	6.2%	-0.7%	-16.2%	-3.6%	-6.7%	-2.7%	-3.8%	-2.2%	-3.8%	-4.7%
2005	-0.3%	-0.3%	-0.9%	8.6%	-0.9%	4.9%	4.1%	2.4%	1.3%	0.0%	-0.8%
2006	-5.7%	-6.1%	-6.6%	-14.4%	-6.2%	-7.7%	-6.7%	-7.8%	-7.2%	-7.9%	-9.5%
2007	1.2%	6.7%	1.1%	6.9%	1.6%	8.2%	3.9%	5.4%	4.0%	4.5%	17.1%
2008	1.9%	-5.5%	-1.2%	-10.3%	2.5%	-1.8%	-3.2%	-3.7%	-2.1%	-0.8%	-20.7%
2009	9.5%	16.1%	17.0%	36.6%	10.2%	4.0%	15.3%	15.6%	13.9%	16.0%	28.0%
2010	-17.1%	-6.5%	-7.1%	-8.2%	-8.1%	-13.4%	-9.8%	-8.8%	-11.1%	-7.6%	-6.4%
2011	-5.5%	-0.3%	-0.2%	-4.4%	-1.7%	-3.5%	-0.4%	-1.7%	-2.6%	-1.9%	-12.2%
2012	-13.6%	-11.4%	-10.6%	-11.9%	-9.0%	-11.4%	-5.0%	-10.0%	-10.9%	-9.4%	-9.4%
2013	-12.8%	-1.3%	-2.6%	-3.3%	-5.7%	0.4%	-0.1%	-1.7%	-4.7%	-3.7%	9.2%
2014	0.4%	4.0%	3.8%	9.3%	4.0%	3.8%	3.9%	3.7%	2.8%	0.4%	-2.8%
2015	-3.4%	-3.9%	-1.0%	2.7%	1.3%	-5.7%	-0.2%	-2.8%	-2.9%	-3.9%	1.3%
<b>Average 6 years</b>	<b>-8.7%</b>	<b>-3.2%</b>	<b>-3.0%</b>	<b>-2.6%</b>	<b>-3.2%</b>	<b>-5.0%</b>	<b>-1.9%</b>	<b>-3.6%</b>	<b>-4.9%</b>	<b>-4.4%</b>	<b>-3.4%</b>
<b>Average 10 years</b>	<b>-4.5%</b>	<b>-0.8%</b>	<b>-0.7%</b>	<b>0.3%</b>	<b>-1.1%</b>	<b>-2.7%</b>	<b>-0.2%</b>	<b>-1.2%</b>	<b>-2.1%</b>	<b>-1.4%</b>	<b>0.1%</b>
<b>% Average profit</b>	<b>58%</b>	<b>67%</b>	<b>75%</b>	<b>58%</b>	<b>58%</b>	<b>58%</b>	<b>67%</b>	<b>67%</b>	<b>67%</b>	<b>75%</b>	



### Disclosure

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