

Money focused on large caps, energy stocks fueled the market

- The market enjoyed an exciting trading month in both bourses. At the beginning of August, due to the selling pressure the index fell below the support level of 630. The expectation of including VNM into the ETF portfolio positively impacted to the overall market. Large caps and energy stocks have rotated the role of leading the index during the month. By ending August, VNIndex increased to 674.63, +22.37 points or 3.43% MoM. Trading volume slightly increased to 2.7 billion shares, down 4.7% and trading value achieved VND56 trillion, slightly declined by 4% MoM. On the northern bourse, HNX also advanced to 84.38 points, +0.8% MoM.
- VN-Index had 8 trading sessions of decline, which eroded VN-Index 5.92% and 15 trading sessions of advance, lifted VN-Index by 9.35%. Selling pressure dumped VNIndex below 630, which then produced the buying opportunity as market looked attractive at this level. The market approached 670 twice in August. We see the smooth rotation of money flow between large caps. These stocks moved in opposite direction to make the index go sideways. Some key highlights for the month i/ the diverged momentum between stocks, ii/ foreign investors were net sellers and iii/ liquidity has not been improved, hence we believe the accumulated period will persist for the upcoming time.
- We see the bold divergence when the large-caps increased well by 4.68%, mid-caps modestly gained 0.13% and the small-caps went down 4.15%. For more details, VNM contributed the absolute part of 2.89% into the gain 3.43% of VNIndex, GAS 0.83%, HPG 0.34%, MSN 0.29 and KDC 0.19%. In the opposite direction, those dragged the VNIndex including VIC pulled VNIndex down 0.52%, BID 0.33%, DRH 0.13, CTG 0.13, TTF and STB each 0.11%

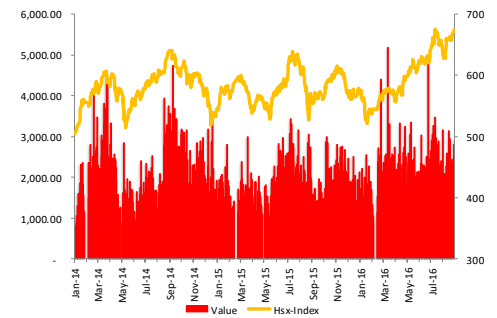
Foreign investors accelerate net seller position, focus on blue-chips,

- YTD, the market has been in rosy time although a lot of surprise was tagged along. However, foreign investors had the strongest month of net selling. On Ho Chi Minh stock exchange (HSX), foreign investors sold a net volume of 51.7 million shares or VND1,889 billion after three months of net buying. Of which VIC ranked on top of foreigner's net selling at VND621 billion, followed by HBC at VND338 billion, VNM at VND321 billion, MSN at VND277 billion and VCB at VND241 billion. Noticeably, in quarterly restructure of FTSE ETF, VNM and HSG will be included meanwhile TTF will be kicked out. On the side of net buying, HPG was strongly bought at VND108 billion, followings were KBC at VND 48 billion, DRC at VND42 billion, BVH at VND38 billion, VFG at VND37 billion. Contrary to net selling position in HSX, foreigners recorded eight months in a row of net buying in Hanoi stock exchange (HNX) with net amount of VND249 billion.
- At the end of August 2016, both foreign ETF funds were net sellers at sizeable amount, of which DB X-Tracker FTSE Vietnam Index ETF sold more than USD 10 million, accounted for 12% of net selling amount of HSX.

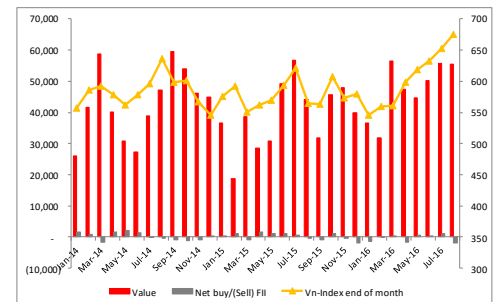
The market retests 680 and prepares for 3Q earnings

- In August, the market somehow wildly fluctuated when fell into 630 level then quickly recovered to 680. The market in September possibly retests the 680 driven by large caps. However, we think the momentum will be in opposite direction hence among large caps hence it will be also the obstacle of upside potential, especially in the theme of lacking good news to support the market. The key factors for September will be i/ the primary quarterly earnings results will be released ii/ the rebalancing of ETFs' portfolio and iii/ macro policies from new government cabinet to enhance GDP in the remaining time of the year. We think the stock selections for the time being are real estate, seafood, diversified financial and energy.
- From the view of technical analysis, VN-Index paid the second time to visit 680 level and spent a half of month to accumulate at 650-665 zone. The market will continue to consolidate and retest at 680. We believe once the fundamental factors improve in line with healthy money flow maintains, VNIndex will possibly break 680 and conquer 700 level in the remaining time of the year.

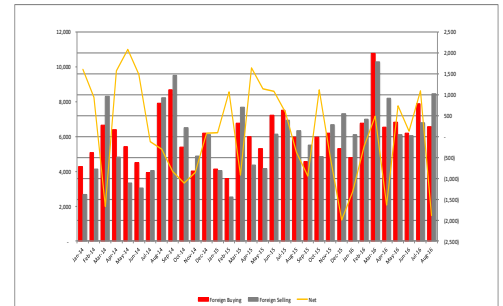
Vn-Index (RHS) & Daily trading value (bVND-LHS)



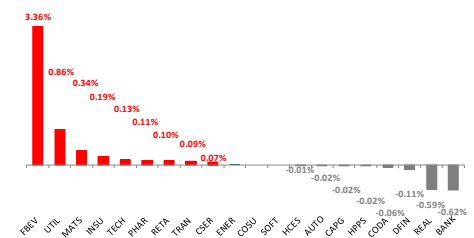
Monthly Trading value (bVND-LHS) & Foreigners activities (bVND-RHS)



FOREIGN TRADING VALUE AND THEIR NET POSITION (bVND)



INDUSTRIAL CONTRIBUTION TO VN-INDEX 8-2016



INDUSTRIAL PERFORMANCE

