

Money flow drops, cautious sentiment surges

- Gloomy view dispersed over two bourses in November. HSX plunged below 670 for four times. VN-Index was wildly fluctuated that even dropped to 654.99 which created the bottom-fishing activity. Large caps maintained the key driver of market, especially ROS and VNM. We see some highlights of the month: i/ money flow was selective rather than spread over market; ii/ Trump won presidential election that sent global market in turmoil and Vietnam was not an exception, iii/ Foreign investors maintained their short position, focused on selling large caps that turned the market's sentiment to negative
- Closing the month, VN-Index tumbled to 2-month low at 665.07, down 1.59% MoM. VN-Index had 11 trading sessions of decline, which eroded VN-Index 7.17% and 11 trading sessions of advance, boosted VN-Index by 5.58%. Trading volume decreased by 3.92% to 2.58 billion shares, and trading value decreased to VND49.5 trillion, -2.28% MoM. HNX also went down to 80.63 points, -1.97% MoM with trading volume at 905 million shares, +3.19% MoM and trading value plummeted by 9.47% MoM.
- Top advancers of the month include: ROS lifted VN-Index by 1.13%, MWG +0.22%, HSG 0.12%, HPG +0.09% and HNG 0.04%. In the opposite direction, those dragged the VNIndex including VNM, dragged VNIndex down by -0.41%, GAS -0.29%, BVH -0.26%, CTG -0.21% and VCB -0.19%.

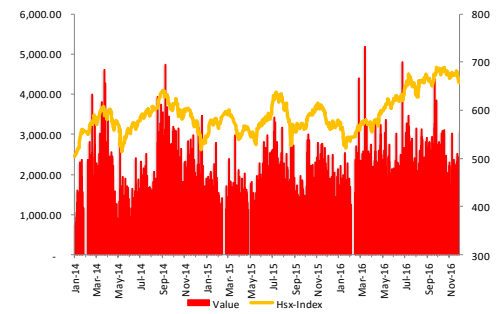
Foreign investor turns to net seller

- After playing as net buyer in October, foreign investor came back to the net seller position. They sold blue chips VNM, VIC, MSN and BID heavily, of which VNM was strongly divested at VND604 billion. Their selling activity hindered the market's recovery. On HSX, foreigner sold a net amount of VND1,518 billion, equaled a trading volume of 71.5 million shares. VNM was sold at VND604 billion, VIC at VND273 billion, MSN at VND217 billion, PHR at VND103 billion and DPM at VND94 billion. On the contrary, CII was bought strongly at VND233 billion, VCB at VND115 billion, HPG at VND86 billion, GAS at VND53 billion and EVE at VND29 billion.
- At the end of November, 2 foreign ETFs were net sellers at total amount of USD33.4 million, of which DB X-Tracker FTSE Vietnam Index ETF sold more than USD9.4 million and Market Vector Vietnam ETF balanced the rest of net sold amount of USD24 million, accounted for roughly 50% net selling value of foreign investors. In addition, two ETFs were trading at the discount to their NAVs.

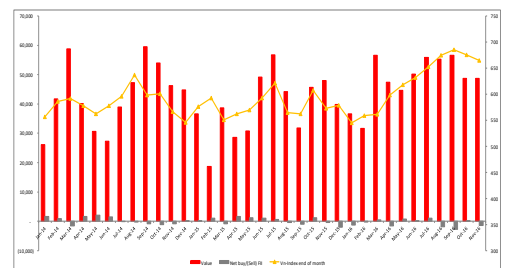
Market to keep vigilant in short-term

- Closing November, market tumbled to below 660 zone. Pressure of foreigner's selling, cautious view of locals couple with weak money flow will be the key indicators for downside potential. Market in December will be impacted by five main factors: i/ selling pressure of foreigners, ii/ giant beer producer Sabeco listed on Dec 6th, iii/ SCIC to sell 9% holding at VNM, iv/ quarterly rebalancing of two ETFs and v/ possible hiking rate of Fed in December. We believe some sectors including real estate, diversified financials, F&B and retail and F&B stocks, which usually enjoy strong Q4 earnings.
- From the view of technical analysis, VN-Index was dipped below 660 supporting level in November. For December viewpoint, we might think the market will fluctuate within this narrow range as market has not gathered enough upside indicators. RSI, Stochastic and MACD have not hinted "buy" signals yet. We see the new supporting level is 640-650. Resistance level is 670-680 and these are also the resistance of MA 50 and MA 100. The market requires the assistances of strong money flow, selling pressure of foreigners coming to a halt to generate the upside momentum.

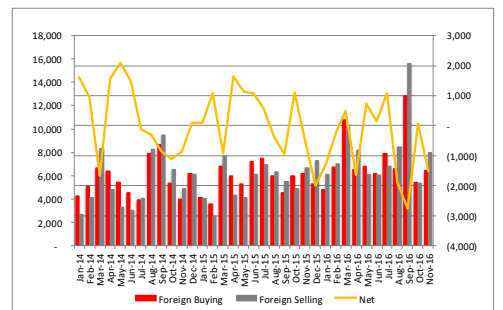
Vn-Index (RHS) & Daily trading value (bVND-LHS)



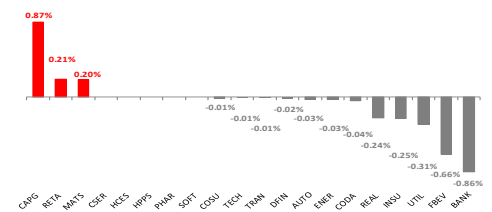
Monthly Trading value (bVND-LHS) & Foreigners activities (bVND-RHS)



FOREIGN TRADING VALUE AND THEIR NET POSITION (bVND)



INDUSTRIAL CONTRIBUTION TO VN-INDEX 11-2016



INDUSTRIAL PERFORMANCE

