

Cautious sentiment maintains, large caps drive the market

- The last trading month of 2016 was sluggish in terms of both liquidity and performance. Foreign investors kept selling that drove market into the 3-month low of 647.33 point in some intraday-trading time. However bottom fishing has always been there to help market recover. In addition, new listing Sabeco- SAB ticker drew the attention of investors that also saved the index with several ceiling sessions. Large caps maintained the key driver of market. We see some key notes of the month : i/ money flow was selective and strongly focused on large caps; ii/ locals kept cautious due to net selling of foreigners, iii/ liquidity remained low that sent the market consolidation in the second half of the month.
- Closing the month, VN-Index managed to close at 664.87, down 0.03% MoM. VN-Index had 10 trading sessions of decline, which eroded VN-Index 6.17% and 12 trading sessions of advance, boosted VN-Index by 6.14%. Trading volume well increased by 10.99% to 2.86 billion shares, and trading value also went up to VND55.1 trillion, +11.25% MoM. HNX-Index came down to 80.12 points by ending December, -0.63% MoM with trading volume at 912 million shares, +0.77% MoM and trading value increased by 7.8% MoM to VND9.2 trillion.
- Top advancers of the month include: SAB lifted VN-Index by 3.08%, STB +0.2%, VHC +0.07%, MBB +0.07% and HPG +0.06%. In the opposite direction, those dragged the VNIndex including VNM, dragged VNIndex down by -1.27%, ROS -0.34%, CTG -0.28%, BID -0.27% and GAS -0.12%.

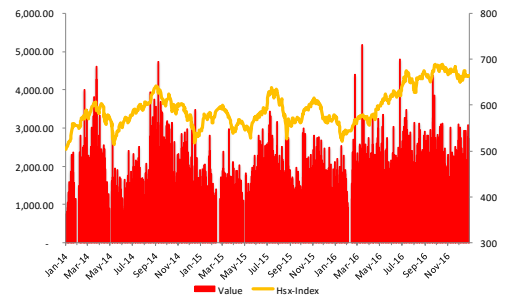
Foreign money continues to flee

- Short position of foreign investor kept sending negative signal to the market. They sold blue chips VNM, VIC, BID, STB and CAV. However, they accelerated the long position of blue chip MWG thanks to the available share for foreigners when ESOP shares were listed. In addition, quarterly rebalancing of two ETFs added energy to improve liquidity for the whole market. On HSX, foreigner recorded the second month in a row of net selling with the amount of VND1,152 billion tantamount to a volume of 76 million shares. Foreign investors strongly divested VIC at VND910 billion. Following was VNM at VND573 billion, STB at VND253 billion, CAV at VND124 billion and BID at VND122 billion. On the opposite side, MWG was bought extremely at VND586 billion, CII at VND163 billion, KDH at VND112 billion, VCB at VND106 billion. Foreign investors also registered their short position in HNX with net selling amount of VND77 billion.
- By ending December, 2 foreign ETFs were net sellers at the record number of 2016 at USD51 million, of which DB X-Tracker FTSE Vietnam Index ETF sold USD47.4 million and Market Vector Vietnam ETF balanced the rest of net sold amount of USD3.9 million.

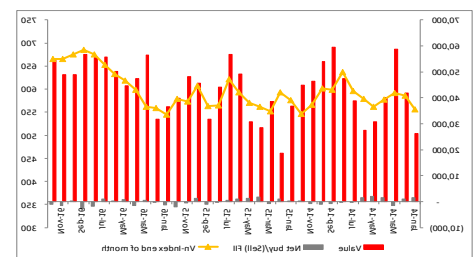
Q4 earnings to rescue the market

- Under the pressure of foreigner's short position coupling with gloomy sentiment of local, stock market went sideways in whole December. However, we are positive for the performance of market in January due to a cluster of reasons: i/ January is often the bullish time for trading based on our observation, ii/ sound earnings of 2016 to release will save the market, iii/ pressure of foreigner's selling will gradually come down, iv/ many new listings enhance the liquidity and v/ money flow will stop hibernating in January. We believe some sectors including real estate, diversified financials, F&B and retail stocks, which usually enjoy strong Q4 earnings.
- From the view of technical analysis, VN-Index was dipped below 645-650 supporting level in December that triggered the bottom-fishing money, we believe this is the strong support level in the mid-term. In addition, VNIndex fluctuated above the MA20 of 670-level in the second half of last December, we think VNIndex will continue to be supported by MA20 at 670 zone in January, however the strong resistance will be at 680-690.

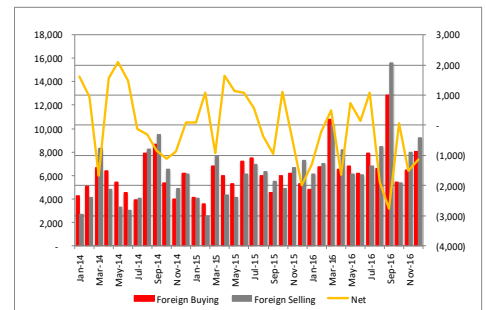
Vn-Index (RHS) & Daily trading value (bVND-LHS)



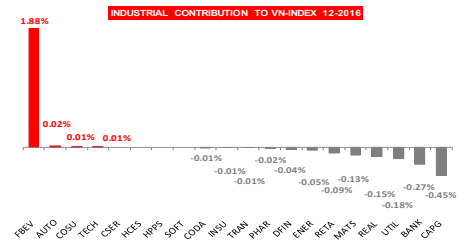
Monthly Trading value (bVND-LHS) & Foreigners activities (bVND-RHS)



FOREIGN TRADING VALUE AND THEIR NET POSITION (bVND)



INDUSTRIAL CONTRIBUTION TO VN-INDEX 12-2016



INDUSTRIAL PERFORMANCE

