

## Investors' cautious sentiment resulted in the failure of VNIndex to recover.

- Stock exchange ended June with the recovery from the bottom at 910 points. However, it failed to achieve the sentimental resistance at 1,000 points. VNIndex fluctuated under the downtrend due to weakening liquidity. The first week of June experienced the surge in index after successful bottom-out action. The trust in market recovery created wide-spread demand and lead VNIndex to 1,000 points. Foreign investors also contributed significant part with net-buying position. After that, VNIndex failed to surpass 1,000 points. Selling pressure increased and there were trading sessions with huge swing in points. Foreign investors returned to net-selling position and domestic investors were extremely cautious in disbursement. Consequently, liquidity dropped to low level. VNIndex said end to 2 consecutive weeks of increase. The second half of June continued to face immense selling pressure, downed VNIndex by 8%. The decline broke several technical supporting levels. Negative sentiment not only spread in Large-cap segment but also in Mid and Small-cap stocks. There were mix between increase and decrease trading sessions while markets tried to cling the 950 points. Main stories of June were: i) increasing selling pressure with huge market swings; ii) prolonged cautious sentiment resulted in low liquidity; iii) foreign investors net-sold through order matching and net-bought through put-through trading. Net-selling position of foreign investors also created the suspicious sentiment for domestic investors.
- HSX experience 8 decline trading sessions which took away 13.61% of VNIndex and 13 increase trading session which recovered 12.53% of VNIndex.
- In June, VNIndex closed at 960.78 points, dropped by 10.47 points m.o.m and equivalent to -1.08% m.o.m. Total trading volume and value were 3.48 billion shares (-8.18% m.o.m) and 100,960 billion VND (-26.95% m.o.m) respectively. On average, daily trading volume and value were 165.7 million shares (-3.66% m.o.m) and 4,808 billion VND (-23.46% m.o.m) respectively. HNX experienced the similar situation while declining by 7.16% m.o.m, reached 106.17 points at the end of June. Total trading volume and value were 904 million shares (-17.82% m.o.m) and 13,950 billion VND (-10.35% m.o.m) respectively. On average, daily trading volume and value were 43.05 million shares (-14.52% m.o.m) and 664 billion VND (-6.08% m.o.m) respectively.
- Stocks contributed most to the improvement of VNIndex were: VIC (helped VNIndex to increase by 1.13%), VCB (+0.46%), VNM (+0.32%), VJC (+0.3%), and VPB (+0.2%). In contrast, the reasons for the decline of VNIndex were TCB (-1.35%), BID (-0.35%), CTG (-0.34%), ROS (-0.33%) and SAB (-0.28%)

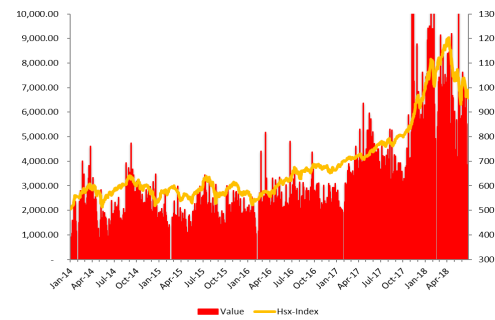
## Foreign investors maintained the net-selling position through order matching trading while net-buying through put-through trading.

- In term of foreign activities: June experience the decline in both stock exchanges. On HSX, VNIndex created the bottom with strong recovery, followed up with huge fluctuation under downward trend. Foreign investors continuously net-sold, therefore, creating the negative impact on domestic sentiment and dragging down the liquidity. Statistically, foreign investors net-bought 461 billion VND. If we exclude the put-through trading of YEG with total value at 2,400 billion VND, net-buying position turned to net-selling at around 1,900 billion VND. During the first 6 months of 2018, foreign investors net-bought up to 35,600 billion VND, doubled the amount from the last 6 months of 2017. There was major contribution of major transactions such as NVL at 3,300 billion VND, FRT at 650 billion VND, VIS at 1,150 billion VND and VHM at 28,500 billion VND. As a result, in fact foreign investor net-sold over 1,500 billion VND. In June, foreign investors net-bought most: VCB (555 billion VND), VNM (441 billion VND), ROS (248 billion VND) and CTD (202 billion VND). On the other hand, VIC was net-sold about 1,800 billion VND. The followed-up were E1FVN30 at 341 billion VND, VHM at 330 billion VND and HPG at 302 billion VND. On HNX, foreign investors traded 66.3 million shares at the total value of 1,100 billion VND. This figure included 387 billion VND of buying orders and 728 billion VND of selling orders. Sum it up, foreign investors net-sold 340 billion VND.
- About 2 foreign ETFs: Market Vector Vietnam ETF net-bought 802 thousand USD and DB X-Tracker FTSE Vietnam Index ETF net-bought 4.5 million USD. To sum up, both funds net-bought more than 5.3 million USD.

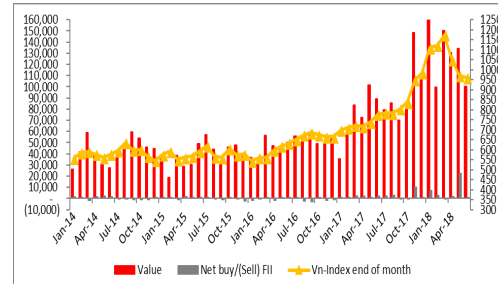
## Markets in 07/2018:

- In June 2018, VNIndex temporarily bottomed out and recover the resistant level of 1,000 points. Under the selling pressure, VNIndex declined in both index and liquidity, closed at 960 points. The stock exchange is currently under the impacts of both low liquidity and strong selling pressure of foreign investors. Therefore, recovery will be difficult task. In July, could markets regain the recovery momentum? According to VFM, the main stories for July will be: i) the season for business result of Q2 will drive the cash flow into fundamental companies with strong results; ii) recent significant drop of market will drag stock prices to attractive levels and create more investment opportunities, especially in growing companies with strong prospects and mid-cap segment which possess huge upside; iii) net-selling position of foreign investors without stop signal will continue to negatively affect the stock exchanges.
- In term of technical analysis: several supporting levels have been broken with low liquidity. Therefore, the chance for short-term recovery will be low in July. Markets will face difficult to quickly emerge to the new uptrend. At this moment, VNIndex need more time for accumulation phase, waiting for the return of cash flow to create a firm base at around 910 points for the second half of this year. We believe short-term supporting level to be around 850 – 900 points. This is also the bottom year to date. Short-term resistance will be around 1030 – 1060 points, equivalent to the 38.2% and 50% lines of Fibonacci method.

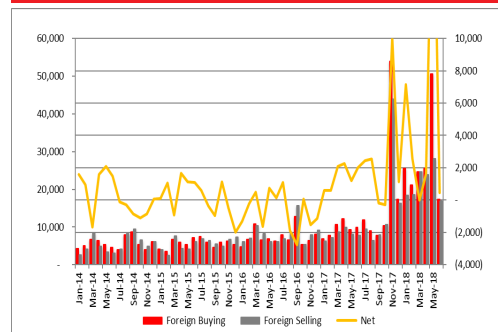
Vn-Index (RHS) & Daily trading value (bVND-LHS)



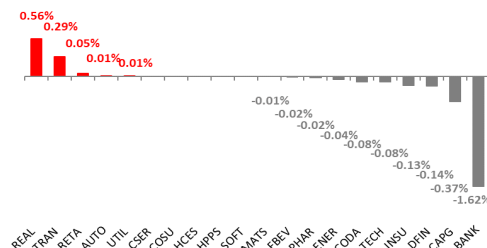
Monthly Trading value (bVND-LHS) & Foreigners activities (bVND-RHS)



FOREIGN TRADING VALUE AND THEIR NET POSITION (bVND)



INDUSTRIAL CONTRIBUTION TO VN-INDEX 06-2018



INDUSTRIAL PERFORMANCE

