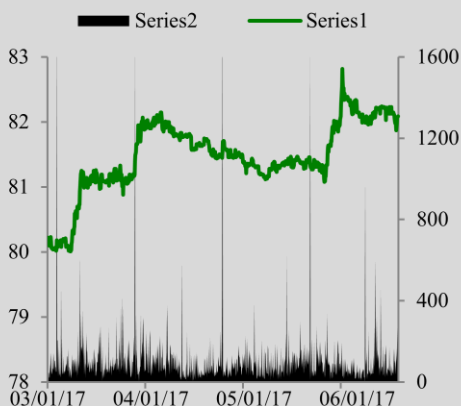
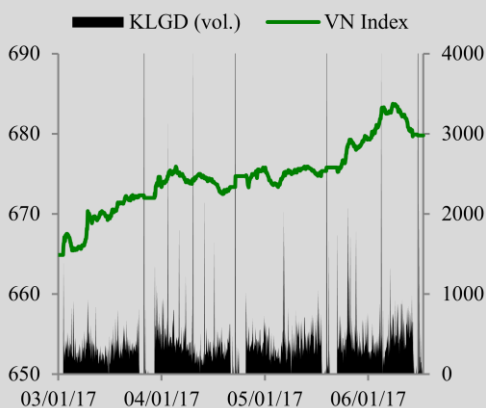


**WEEKLY STRATEGY REPORT  
09 JANUARY - 13 JANUARY 2017**

Market Highlights 01.03_01.06.2017	HSX	HNX
Index	679.8	82.09
+/- (%)	2.25%	2.46%
Volume (share)	84,856,498	21,919,296
Value (VNDmln)	1,804.46	216.18

Foreign Investment	HSX	HNX
Buy (VND bln)	1,500.89	62.23
Sell (VND bln)	1,258.33	10.48
Net position (VND bln)	242.56	51.75



**INVESTMENT STRATEGY 09 January– 13 January**

**The weakening of inflows still is a major obstacle to the market's recovery effort.** We believe that this situation is not likely to improve in the coming period when considering the facts that (1) the supply increased faster than the absorptive capacity of the market, (2) the price level jumped significantly after 2016 and is no longer attractive; and (3) notable supporting information has not appeared.

In the absence of dynamic growth, recovery effort in recent sessions still contained short-term nature and mainly stemmed from a few of large-cap tickers. Except for plus point from foreign investors' net-buying, **we has not recognized the reliable signals about the return of positive trend in the medium term.** Therefore, maintaining high proportion of cash in the portfolio and waiting for clearer opportunities are our priorities at this stage.

**PREVIOUS WEEK HIGHLIGHTS**

Both indices recorded positive signals in the first trading week of 2017. With **the momentum from the rally of many pillars**, green ink continuously exist in the indices despite the frequent shaking rhythms and correcting pressure in many small-cap and mid-cap shares. VN Index boosted in 4 consecutive sessions and recorded an increase of 2.25%. Meanwhile, HNX Index gained 2.46% in the past week. However, market liquidity still remained low when the cautious sentiment came back.

**From sectors' perspective, gaining momentum of the indices received significant contributions from Banking stocks** such as VCB, BID, CTG, ACB, etc. The spread also came to other financial sectors including Insurance and Securities. Elsewhere, following the breakthrough of HSG, Steel tickers also became a spotlight on the market when recording significant improvement on both score and liquidity. We expect that the optimistic business results in 2016 will generate positive influence on this sector, at least in the short term, with the leading role of large enterprises.

**The first trading week of 2017 also welcomed the arrival of many large-cap tickers on UPCoM** including HVN (Vietnam Airlines), VGT (Vinatex) and MCH (Masan Consumer). Despite the considerable attention from investors, these tickers suffered mixed tones in the past week. We believe that the quick increase of supply in the absence of new inflows in the market will still be the factor prevailing market trend.

Elsewhere, **the USD/VND exchange rate cooled rapidly** right from the first days in 2017 when seasonal effect gradually passed. In detail, the listed USD ask price at commercial banks ranged around 22.590 - 22.610 VND, down nearly 200 VND as compared to late of 2016. As mentioned in the previous reports, if the psychological effect passed, the pressure from exchange rate on stock market shall be eased, especially when SBV is ready and fully capable of stabilizing the market.

**NEWS AND EVENT NEXT WEEK**

- |  |  |
|--|--|
| (1) US: CPI, PPI, retail sales in December, speech of FED's president.                                 | US economy maintained a positive state.  |
| (2) EU: unemployment rate, industrial production in November.  | EU economy remained a slow recovery slow with highlight in manufacturing area.         |
| (3) Japan: foreign exchange reserves, consumer confidence, trade balance, M2 money supply in December. | Export activity of Japan continues to improve.   |
| (4) China: CPI, PPI, trade balance in December.  | The indicators are likely to support a stable trend of China's economy in this period. |

**TECHNICAL VIEW**

*Both indices extended their recovery phases. Liquidity continued to decline, indicating that cautious sentiment came back. Short-term uptrend can maintain in the coming week before again facing correcting pressure. Investors should keep a high proportion of cash in the portfolio and wait for more reliable signals from inflows before returning to the market.*

**VN Index**



- VN Index formed a fifth consecutive green candle, clang to the upper of Bollinger Band.
- Liquidity continued to decline.
- The next candles are likely to stick to the upper of Bollinger Band.
- Support zone: 660; resistance zone: 680.

**VN30 Index**



- VN30 Index extended its recovery, closed above the mid-term downward trend line and clang to the upper of Bollinger Band.
- Liquidity edged up, indicating the improvement on the demand.
- The next candles tend to stick to the upper of Bollinger Band.
- Support zone: 630; resistance zone: 650.

**HNX Index**



- HNX Index formed a green candle on Friday, failed to verify the MA200.
- Liquidity retreated, indicating that the demand was not too strong.
- Upcoming candles are likely to stick to the upper Bollinger Band before correcting back.
- Support zone: 80, resistance zone: 82.

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