

DAILY REPORT

27 August 2009

Vietnamese inflation slowed to seven-year low of 2 pct in August

Inflation in Vietnam has slowed as policy makers curbed credit growth and amid lower prices of commodities such as oil and rice. The deceleration in recent months largely reflects comparison with a high base in 2008, Standard Chartered Plc said this week. "Year-on-year consumer price inflation is likely to pick up toward year-end as the high base effect fades," wrote Tai Hui and Thomas Harr of Standard Chartered in a note dated August 24. Still, "we expect it to remain modest, within a range of 5 to 6 percent,"

Vietnam trade deficit through August falls 67 pct to \$5.1 bln

The country's export performance outpaced that of regional competitors.

The gap in the first eight months totaled US\$5.1 billion, down 67 percent from \$15.6 billion during the same period last year, according to preliminary estimates from the General Statistics Office in Hanoi. Exports fell 14 percent to \$37.26 billion, while imports dropped 28 percent to \$42.38 billion.

Enterprises return to dollar borrowing on stable forex market

Mai Tong Ba, director of the Saigon branch of Asia Commercial Bank, said dollar loans have increased since July, without elaborating. "Enterprises' concerns over risks of forex fluctuations have been reduced because the rate has not swung sharply for a long time,". "In addition, the central bank's determination to keep the rate stable has reassured businesses."

MARKET ANALYSIS:

It was the second days that VN Index could not withhold above its former high at 530. The market dropped to close at the low of 525 with a small negative Star. Moreover, such downbeat candlestick erupted when Stochastic moved into steep overbought area. All these combined events could trigger a correction. Nevertheless, since HOSE's medium-term outlook remains bullish, a coming retreat should be small and temporary that the 10-day WMA line of 510-520 should be able to restrain a downward momentum. After the market consolidate for a certain period of time, we assume there will be a fresh rally given a bullish MACD with a possible target at 580-600 where the 200-week WMA line located.

Exchange rate:

	Curr.	Prev.	%chg.
	26/08/09	25/08/09	
VND/US\$	17,820.00	17,821.00	-0.006%
Yen/US\$	90.71	90.98	-0.306%
US\$/Euro	1.481	1.480	0.034%

External factor:

	Jun 09	Jul 09
Exports (YoY%)	-32.7%	-13.4%
Imports (YoY%)	-34.1%	-32.0%
Trade balance (US\$, m)	-2,108	
FDI (US\$, m)	4,721.8	

Public factor:

	Dec 08	Mar 09
Budget balance (VND, bil)	-4,511	-14,290

Recommended stocks as of Aug 27, 2009

Stock Exchange	Stock	Support	Resistance
HOSE	PIT	17-18	22-23
	DPM	48-50	60-62
	HAP	23-25	30-32
	HUT	18-20	25-27
HNX	SJE	28-30	40-42
	TNG	19-20	24-25
	HAI	30-32	38-40
	SDA	30-32	38-40

Domestic monitor:

	Jun 09	Jul 09
Retail Sales (VND, bil)	547,495	643,644

Interest rate monitor:

(%)	20/08/09	-1M 30/06/09	-3M 29/04/09
Interbank (O/N)	6.37	5.15	5.79
10-year bond (VN)	9.8% p.a	9.4% p.a	9.3% p.a
3-month LIBOR	0.46125	0.54208	0.49589



Therefore, any correction that may happen next week should consider a sound investment opportunity.

HNX remains consolidating at the same area. A present trend began in recent June, the index has been moving along its 10-, 25- and 75-day WMA lines in 130-160 range. We assume the index is to continue its lateral movement for weeks ahead. The extended consolidation is in fact good for medium-term rally. There is a good chance which HNX to challenge 190-200 and 330-350 respectively.



FIGURE 1: GDP Growth

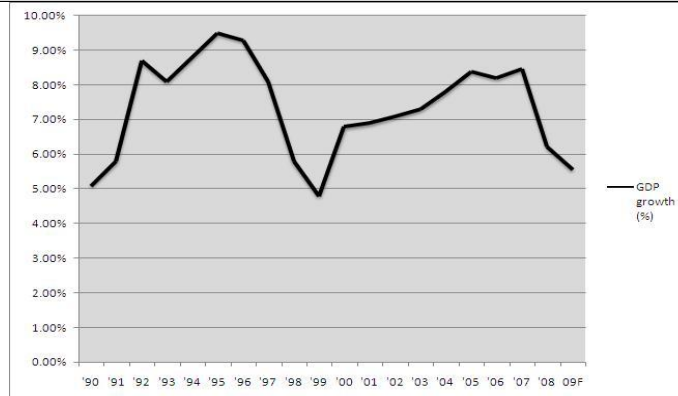
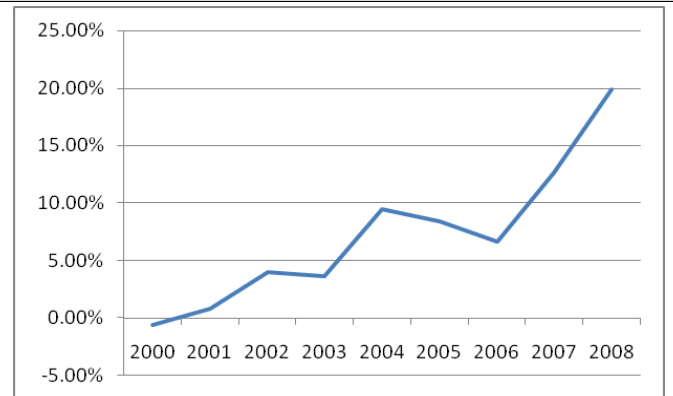
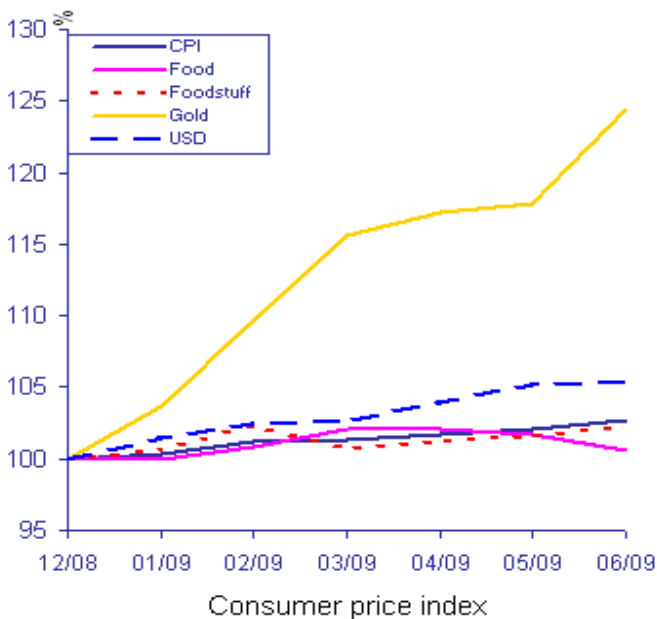


FIGURE 2: Inflation History



Source: www.chinhphu.vn

FIGURE 3: CPI Chart



Source: GSO

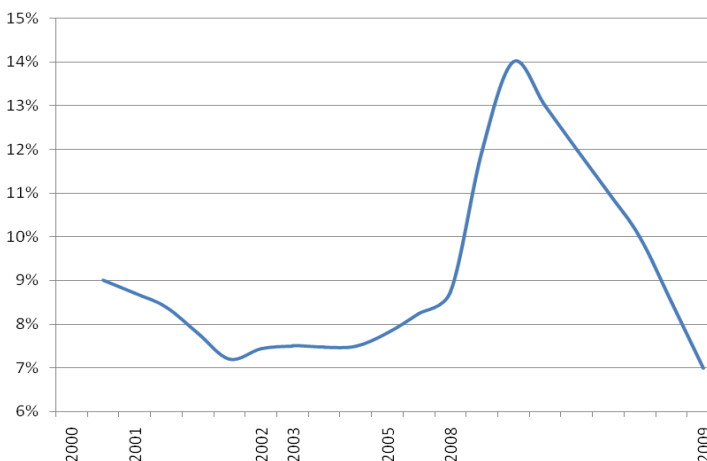
FIGURE 4: CPI by group

	Jun-09	Jul-09	Index	Jul-09 %MoM	%YoY
Food & foodstuffs	176.09	176.01	176.01	-0.045%	2.33%
Beverage & Cigarette	136.24	136.88	136.88	0.470%	8.69%
Clothing	132.34	132.72	132.72	0.287%	7.88%
House Materials	145.65	148.40	148.40	1.888%	0.44%
House Appliances	131.55	132.03	132.03	0.365%	7.96%
Medical Products	126.04	126.49	126.49	0.357%	5.55%
Transport & Communication	122.69	126.43	126.43	3.048%	-1.8%
Telecom	74.66	74.38	74.38	-0.375%	-11.14%
Education	115.83	116.07	116.07	0.207%	4.24%
Entertainment	118.18	118.71	118.71	0.448%	5.57%
Miscellaneous	144.03	144.67	144.67	0.444%	11.64%
Total	149.99	150.77	150.77	0.520%	3.31%

Source: GSO & Bloomberg

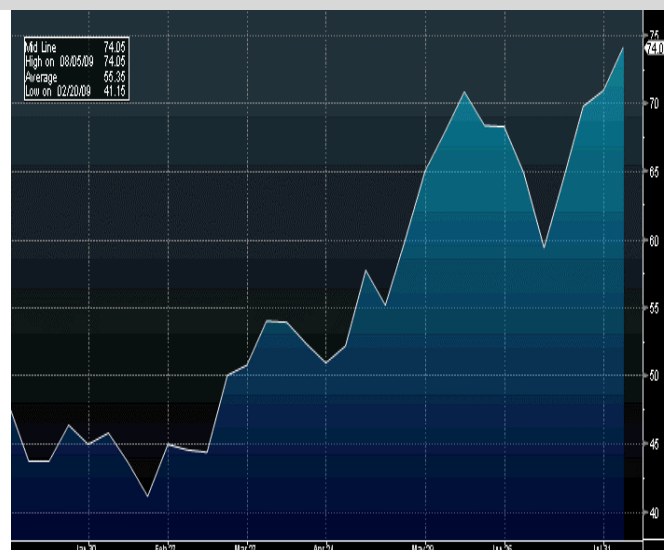
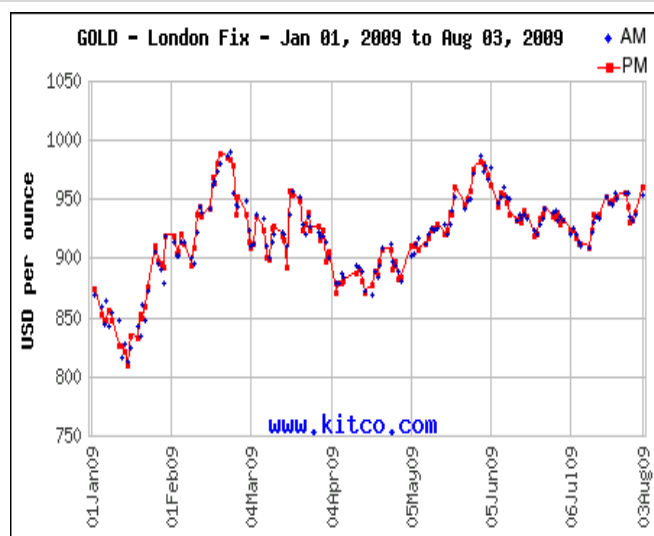
FIGURE 5: Prime rate

Prime rate set by SBV in 2000-2009



Source: SBV

FIGURE 6: World Gold & Oil Chart



Source: www.kitco.com, Bloomberg

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