

## DAILY REPORT

### 07 October 2009

#### Vietnam central bank says dollar supply boosted by exporters

Vietnamese demand for foreign exchange eased last week after exporters swapped more of their overseas income for local currency, boosting the supply of dollars, the central bank said in a weekly report. "Liquidity in the foreign-exchange market has improved with banks quoting their exchange rates at between VND17,841 and VND17,844 per US dollar last week," the State Bank of Vietnam said in the report, which was published on its website.

#### Vietnam to fall short of export target this year: trade ministry

Vietnam will not be able to realize its export growth target of 3 percent as shipments in the first three quarters only accounted for 64 percent of the annual plan, the Ministry of Industry and Trade said Sunday. The 2009 export target has been revised downwards several times this year from an original target of nearly \$71 billion due to weaker demand and lower prices.

#### Gov't says will decide second stimulus in late October

The Government will seek advice from local experts before giving a final say on whether to launch the second economic stimulus package in its regular meeting late this month, said Government Office chief Nguyen Xuan Phuc. Concerning the 2010 vision, the Government expects to revise up some macro economic targets thanks to the brighter outlook. All monetary and fiscal policies next year would be set to help boost economic growth momentum.

#### MARKET ANALYSIS:

VN Index could withhold well above its 10-week WMA line for the past three days after encountered big adjustment from 590-600 area. A positive Hammer that erupted above the support line possibly drives up the market again. However, a coming upswing will be short and temporary, not above the 200-week WMA line and Tweezers Top of 580. Only trading in 550-580 is preferable in these two weeks. Due to weakening RSI and Stochastic, VN Index might experience another fresh correction given 1-2 months ahead. The more solid support inclines to be the 25-week WMA line at 500-510 interval.

#### Exchange rate:

	Curr.	Prev.	%chg.
	06/10/09	05/10/09	
US\$/VND*	17,847.00	17,845.00	0.011%
US\$/Yen*	86.37	86.88	-0.579%
Euro/US\$*	1.517	1.513	0.214%

(\* applicable in Vietnam only)

#### 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 Oct 07, 2009

Stock Exchange	Stock	Support	Resistance
HOSE	VIC	63-65	80-82
	IMP	75-77	90-93
	CNT	30-32	35-37
	RAL	26-28	32-34
HNX	VTV	24-26	32-34
	DNP	22-23	27-28
	VNC	21-22	26-27
	BVS	66-68	75-77

#### Domestic monitor:

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

#### Interest rate monitor:

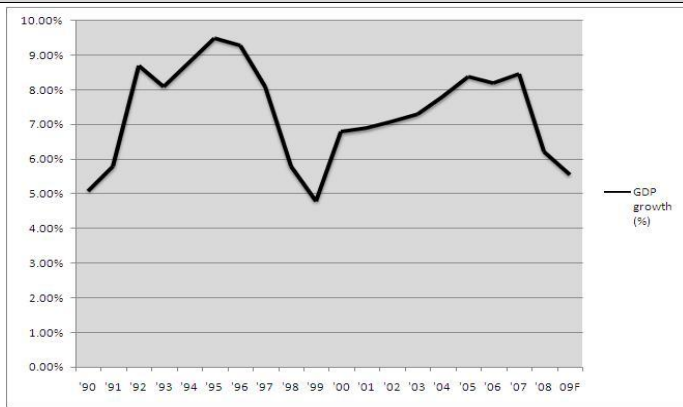
(%)	20/08/09	-1M 30/06/09	-3M 29/04/09
Interbank (O/N)	6.37	5.15	5.79
10-year bond (VN)	9.8% p.a	9.4% p.a	9.3% p.a
3-month LIBOR	0.46125	0.54208	0.49589



Since March 2008, HNX Index has been moving in a big Head & Shoulders Bottom pattern. The index just challenged its neckline at 190-200 last week. The line obviously well restrained upward momentum and also caused the market to drop. Fortunately, the index could withstand firmly above its 10-week WMA line with a small Doji. We assume HNX will be moving laterally in 170-190 for another few weeks, which befits short-term trading. Given long term prospect, the 330-350 area will be an ultimate target, derived the Head & Shoulders formation.

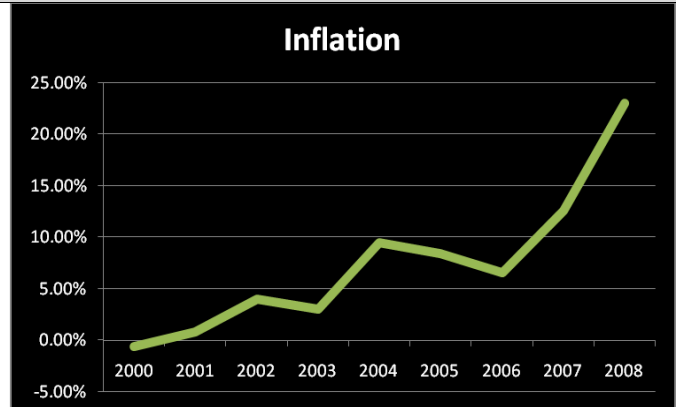


**FIGURE 1: GDP Growth**

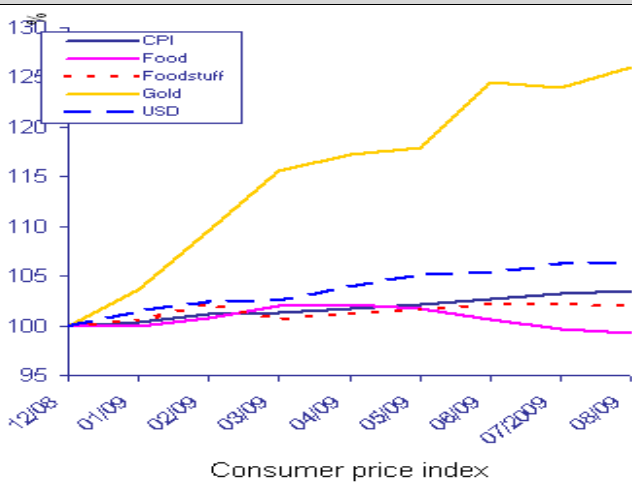


Source: [www.chinhphu.vn](http://www.chinhphu.vn)

**FIGURE 2: Inflation History**

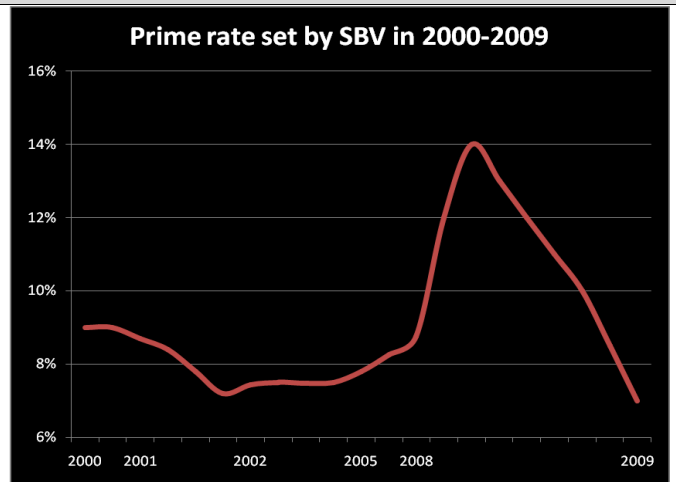


**FIGURE 3: CPI Chart**



Source: GSO

**FIGURE 4: Prime rate**



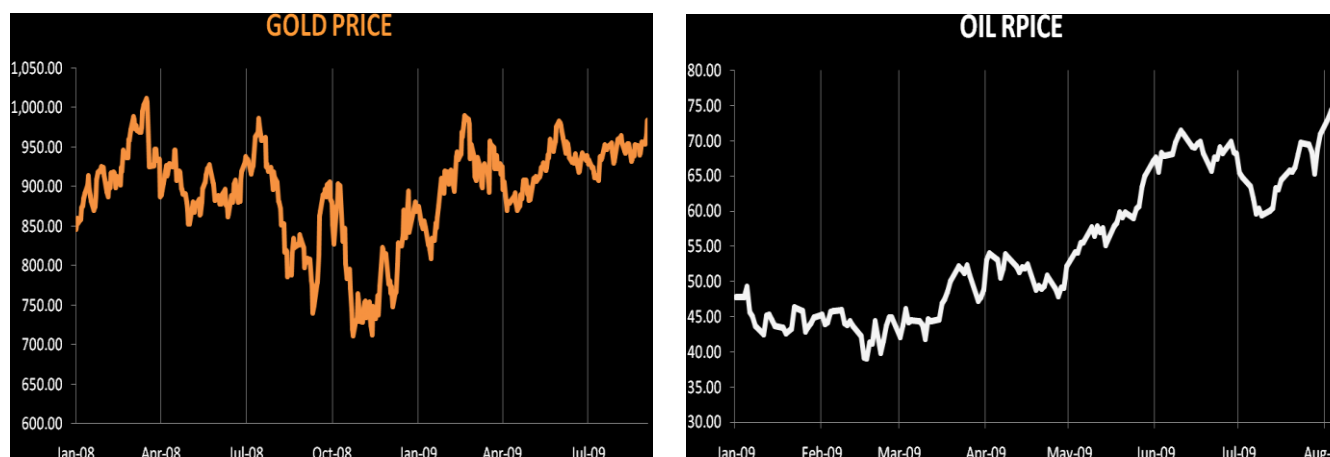
Source: SBV

**FIGURE 5: CPI by group**

	Aug-09	Sep-09	Index	Sep-09 %MoM	%YoY
Food & foodstuffs	175.87	175.95	175.95	0.05%	1.79%
Beverage & Cigarette	137.03	138.06	138.06	0.75%	8.3%
Clothing	133.41	134.30	134.30	0.67%	7.29%
House Materials	149.78	151.09	151.09	0.87%	0.71%
House Appliances	132.43	132.92	132.92	0.37%	6.31%
Medical Products	126.69	126.93	126.93	0.19%	3.79%
Transport & Communication	128.09	131.12	131.12	2.37%	-6.18%
Telecom	74.35	74.33	74.33	-0.03%	-11.1%
Education	116.24	121.28	121.28	4.34%	6.18%
Entertainment	118.85	119.15	119.15	0.25%	3.34%
Miscellaneous	145.25	145.95	145.95	0.48%	11.22%
<b>Total</b>	<b>151.13</b>	<b>152.07</b>	<b>152.07</b>	<b>0.62%</b>	<b>2.42%</b>

Source: GSO & Bloomberg

**FIGURE 6: World Gold & Oil Chart**



Source: www.kitco.com, Bloomberg

Puwadol Wongviriyachai, no.17620 Tel. 66(0) 2264-5888 ext 1223 email [Puwadolw@ktzmico.com](mailto:Puwadolw@ktzmico.com)

Tran Nhat Quang, Tel: 84 90377 7177 email [quang.tn@tcsc.vn](mailto:quang.tn@tcsc.vn)

Tran Xuan Tuan, Tel: 84 93880 8038 email [tuan.tx@tcsc.vn](mailto:tuan.tx@tcsc.vn)

Tran Thi Quynh Nhu, Tel: 84 93880 8136 email [Nhu.ttg@tcsc.vn](mailto:Nhu.ttg@tcsc.vn)

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