



Weekly report 04

Economics

- GDP rose sharply in quarter III, that brought optimism for Vietnamese economy, however some unsustaining signals and disadvantages are hiddenning in macro balances
- Price of essential commodities and basic materials tend to raise, that would be one of challenges for growing target
- Inhibitory forces which has appeared in economic recovery has required carefulness of macro-policies

Equity

- Secutirties market broken up-trend channel and entered down adjusting period, however, in weekend session “bottom catching” sentiment was strongly appeared
- While financial and banking did not affirmed its leading position, potential business results of quarter III of listed enterprises would be important accelerating force of maket in next week.

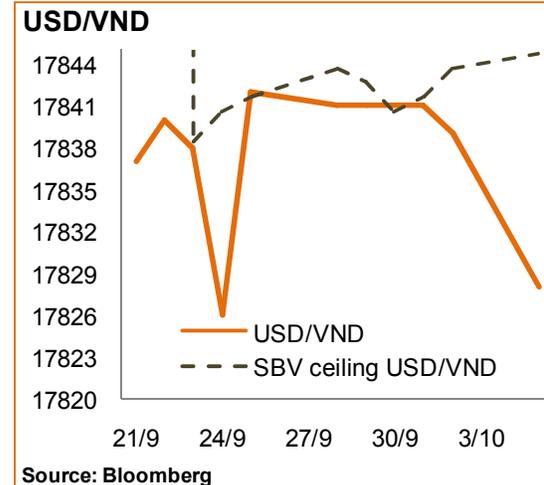
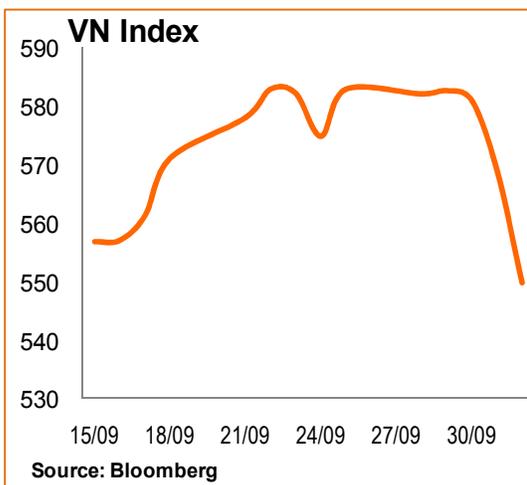
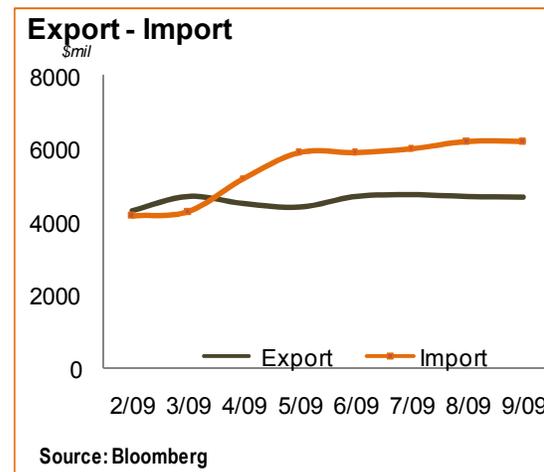
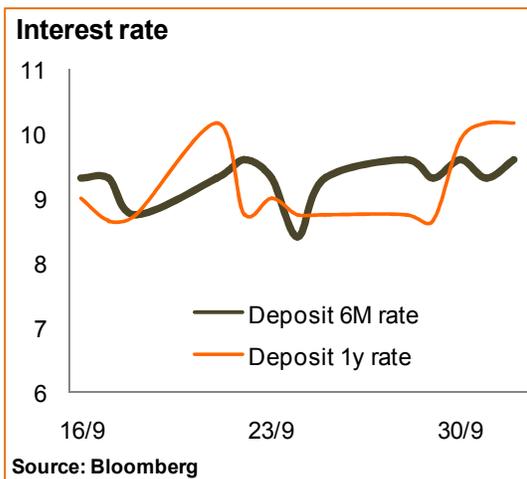
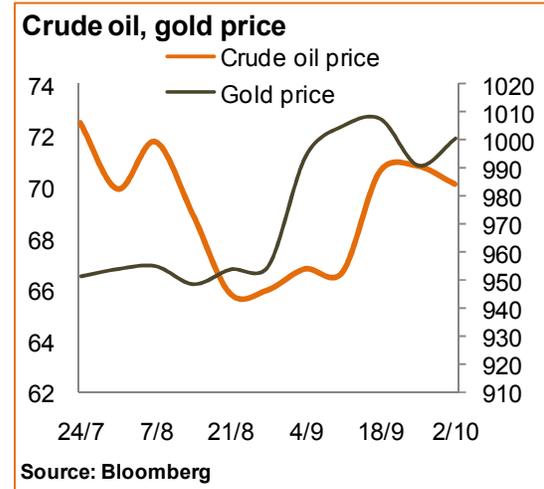
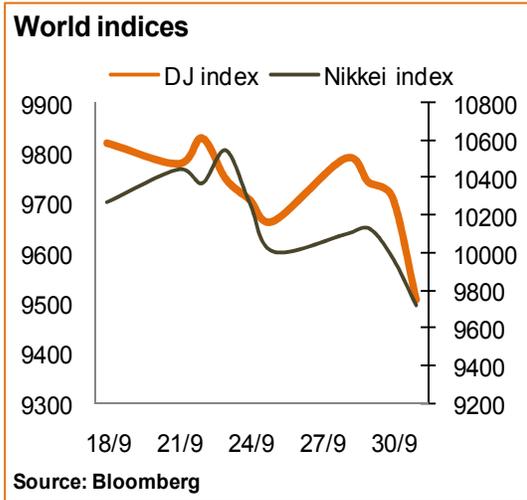
Under necessity developing rule, after a hot season, the world indices as well as Vietnamese securities market have embarked turning down period. However, sharp tumbling session in Friday regarded as positive opportunity for bottom-catching buying activities. Scale of financial leverage using seemed to be concerning factor to confirm speed and level of genral adjustment, however, the thresholds of 525 (HOSE) and 165 (HNX) showed as confident supporting points for medium term investment.

Optimistism mixed with hanging-over concerns when receiving impressive GDP of quarter III at the same time of new inhibitory forces in economic recovery. However, market might not deeply fall whenever demand forces has tended to increase, notably potential business results of quarter III have gradually released. Early week sessions would be good chance for portfolios restructuring activities and pharmacy, petroleum and agriculture-aquiculture sectors are among our suggestion.

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ECONOMICS

- Optimistic economic growing – GDP, however, new inhibitory factors has appeared to be challenging
- Encouraging investment, reinforcing consumption confidence and being careful with inflation increase considered central point of macroeconomic policies in recovery over the world

GDP achieved 5.76% in quarter III – Optimistic and challenging sentiment

Vietnamese economic picture has been brightening and recession appeared to be “bottomed off” when 3rd quarter GDP marked impressively at 5.76%, much higher than 4.5% of quarter II.09. With more solid confidence in economic rebound, target of 5-5.2% GDP seems to be nearer and nearer. However, many indicators has not reflected sustainess of economic growth, notably industry and construction growth got only 4.48%, lower than general GDP, GDP of agriculture-forestry and aquiculture only reaped 1.57% meanwhile 60% national population is depending on this sector.

In term of policy management, accepting effectiveness of interest-subsidized package, plan of extending demand stimulus has been considered carefully in order to ensure sustaining of economic recovery. ***If added economic stimulus was passed, investment and consumption encouragement would be strongly concentrated and registered higher effectiveness, as our point of view.***

In the time coming, we also hope that, agricultural production and core industries would receive priority to take off, aiming to higher growth as well as sustaining developing and raising position of developing Vietnam country in international community.

Some disadvantages hiding in macroeconomic balances

State budget deficit in beginning of September quoted 5.4 trillion VND, accumulated number was up to 274.4 trillion VND, equaled 70.4% of the whole year plan. Although this was deducted in comparison with this figure of the same period of 2008 expenditures seemed to be imbalanced between financial sources. While state budget has increased by 45.5%, non-state sector only added more 12.6% and FDI sector eventually reduced 11.2%. Therefore, it is obvious to realize that limitation of mobilizing social forces for developing investment and phenomenon of economic source uselessness.

Besides, credit growth for economy, up to 26% in the first nine months regarded as one of factor that put pressure on inflation lifting up.

Although it was not serious issue rising of price of essential commodities and raw materials recently has seemed to raise notable concern. In line with economic recovery, careful considering between growing and inflation should be important point of macroeconomic policies.

As to external force, higher import and trade deficit noted 6.5 billion USD in first 9 months made target of export growth of 3% get further and further. Moreover, we also remarked export sluggishness of crude oil and processing industries in the coming time. However, high increasing of foreign exchange in September

would be propulsive force for export growth. And despite it might not register initial target, in difficult context, if trade deficit maintained the same as level of 2008, that would be the successful result and positive contribution of external power for economic growth.

US Economy still remains constraints

Consumer confidence unexpectedly fell on September 2009 since people are still worried about their jobs and hence, become more cautious in spending. However, in long term, this is not bad for the economic recovery because people are increasing their savings for better investment in the future.

Reports from manufacture and labor market also created concerns about the slower economic recovery. **ISM index – Chicago manufacturing index and first indicator for US manufacturing industry as well – declined faster than estimated on September.** ADP Employer Services also reported that in the same month, 254,000 jobs are cut. In addition, Ministry of Labor said in its report that employment rate in the US climbed to 9.8 percent (equivalent to 15.1 millions jobs) in September – the highest level within the last 26 years.

Meanwhile, US consumer spending advanced strongly, new home sales added up to 6.4 percent in August and GDP in QII/2009 decreased slower than forecast (down 0.7 percent while in QI/2009, GDP fell 6.4 percent) are positive news that encourage investors in the stable rebound of the economy.

Good and bad news mixed may make investors upset or lose confidence in the stock market. However, basically, US economy is still giving signals of recovery in spite of constraints at present.

IMF raised 2010 growth forecast

In its latest report, the International Monetary Fund (IMF) said the world economy will expand 3.2 percent in 2010, more than a July forecast of 2.5 percent. Nevertheless, it warned that the recovery could be weak due to concerns about credit and higher employment rate. IMF stated that the global economy expanding will be pulled by strong performance of Aisa economies and other regions. According to IMF, China will growth by 9 percent, India by 6.4 percent in 2010. Japan, US and Eurozone may jump 1.7 percent, 1.5 percent and 0.3 percent respectively.

Comments

World indices have entered turning-down adjusting period after “hot” season. In fact, goods news of GDP or house selling number could not lift up investors’ sentiment this week. Therefore, The Wall Street ended the week in red color and DJ fell below 9,500 points. Meanwhile, worry about fewer earnings in the slow recovery scenario also led to the lowest steep within 6 weeks of Asian stocks. It is obvious that the whole world is now closely following by positive recovery news of US economy, especially business results in QIII/2009 of big firms will be released from next week. Once the recovery of this leading economy takes place sustainably, Dow Jones is still predicted to break the threshold of 10,000 points in October and world indices will altogether strongly rebound

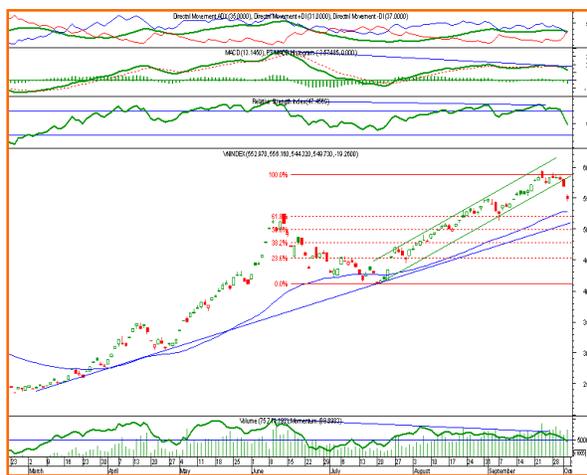
Economic Calendar Oct 05 – Oct 09:

Mon 05 Oct	Tue 06 Oct	Wed 07 Oct	Thursday 08 Oct	Friday 09 Oct
ISM of service sector	Beginning IMF meeting	-Consumption credit -Business results of Costco, Family Dollar and Alcoa.	-First time unemployment proposals in U.S -Basic rate of U.K, Euro	-International Commerce report -The 2 nd anniversary Dow Jones of peak 14,164pts

EQUITY

- The market entered down trend in short term in which bottom catching activities sharply showed off weekend session
- Potential business results of listed enterprises have become lifting-up power of the market. Thus, endowing opportunities and restructuring portfolios might be main trend being waited next week

VN Index movements from 28 Sep – 02 Oct



Technical perception

- Securities market broke upward channel and embarked falling-adjusted period with the signals of indicators ADX, MACD, Stochastic and Parabolic Sar.
- Trading volume maintained higher than 30-day-average volume of 67 million shares on HOSE and 36 million shares on HNX. 20% increase of trading volume in weekend session implied that bottom-holding tendency in short term proved to be much stronger.
- As to Eliot framework, the market seemed to finish the five raising wave steps in medium term with step fifth equaling 1,68 step 1. A coming downward adjustment expected to follow a-b-c framework.

HNX Index movements from 28 Sep - 02 Oct



Conclusion: Following down signals of last weekend, short-term downward trend was confirmed with indicators such as ADX, MACD, Stochastic and Parabolic Sar. The market witnessed two strong down- turning sessions, however, bottom-catching buying activities in last session of trading Friday 2nd October showed that it would be difficult for market to deeply tumbled next week. Phenomenon of not being above 3rd consecutive knocking off within approximately 2 months continued to be affirmed next week. Short-term supporting points of VN Index and HNX Index would be 525&546 pts and 165 and 172 pts, respectively. However basic trend of the market would be still short-term reduction. Therefore, supporting threshold of 525 pts of VN Index

and 165 pts of HNX Index was assessed to be more reliable.

Recommendation

Major indices over the world such as U.S, Japan, England and France entered lessening adjustment period.

Major indices	± week 25/09-1/10
Dow Jones	-2.04%
S & P 500	-1.99%
Nikkei 225	-5.36%
FTSE 100	-0.62%
CAC 40	-1.00%

Foreign traders continued to be net sellers in all sessions of last week with total net offering value of 460.3 billion VND, raising this accumulating number from the beginning of September up to 2.295.1 billion VND. That would be main factor affecting sentiment as well as market trend in the coming week.

Moreover, market movements of recent sessions indicated that the market reacted strongly to information of investors' leverage using for stock investment. If leverage became too big to cover, selling pressure might be strong in deduction sessions. And this would be disadvantage factor for investors' psychology next sessions.

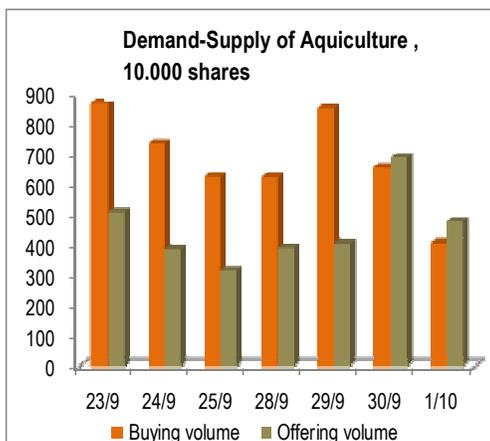
However, highly-expected business results of listed firms in quarter III harbored to attract buying demand. And this would be lifting-up power for market next week, notbly in deeply-descended momentum Besides, positive marco economic information such as improved quarter-III GDP, moderated inflation and highly-grew industry will be solid foundation supporting market in medium and long term.

The second demand stimulus package was considered and would be decided in late October. Given it is not enough information relating to added stimulus package, this would be psychologic-supporting factor in short term.

The market entered the period of turning down. Not only being affected by down trend of world market, scale of financial leverage will be unknown number to definite general falling adjustment of market. However, we pointed out that reduction level might be retreated due to the bottom-catching buying activities in the last weekend session. Thus, two early sessions of next week would be good chances for restructuring investors' portfolios. Given the fact that 525 (VN Index) and 165 (HNX Index) have been reliable supporting thresholds, we believed that this might be safe point for medium investment. Therefore, we strongly recommend buying activities at above-mentioned threshold in case market continued falling. Of which, pharmaceutical, agriculture-fishery and petroleum are among our suggestion.

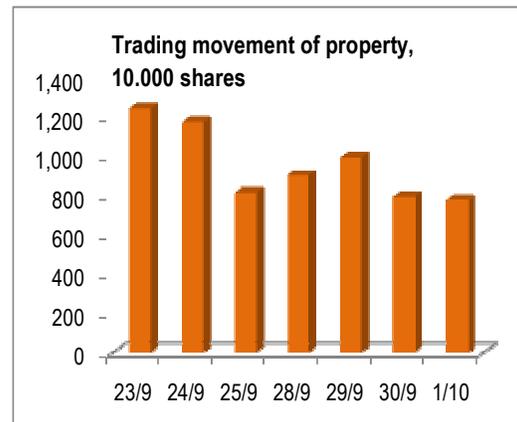
Movements between industries from 28 Sep – 02 Oct

As our point of view, ticker prices seemed not to reflect expectation of investors. It is obvious to see that no sector took leading role the whole week of 28th Sep to 2nd Oct. In fact, that trading week proved to be the consecutive 3rd week of profit collecting. In the first three sessions of week, shares of property, finance and fishery witnessed one or two sharply-rose sessions when demand still tended to overwhelm supply as last week sentiment, however pressure of profit-getting made price of these tickers altogether turn down

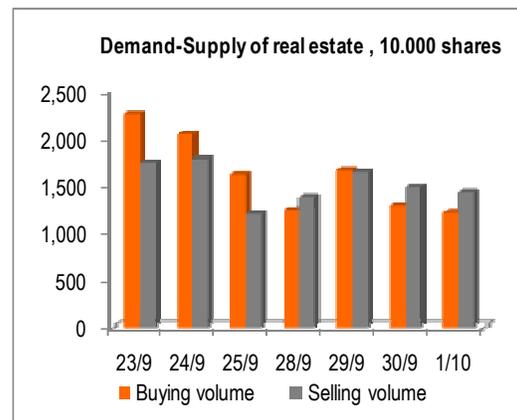


Source: BSC's synthetic

The retreatment of real estate was clearly indicated compared to the last week, moreover supply overwhelmed demand the whole week.

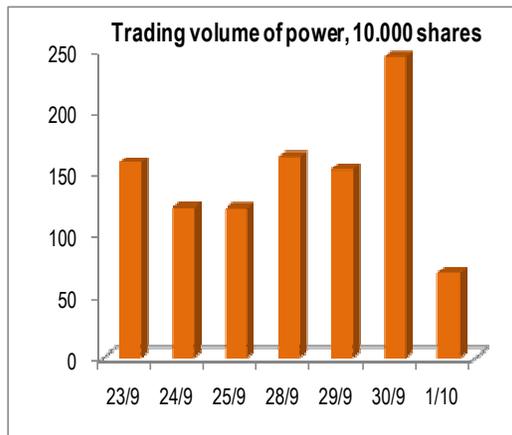


Source: BSC's synthetic



Source: HOSE

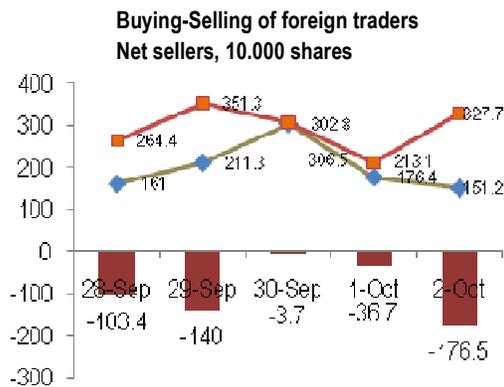
As to our last week recommendation, we saw fund transferring into pharmaceutical and power which got good business results but price of its equities did not raise much in recent rebound of market.



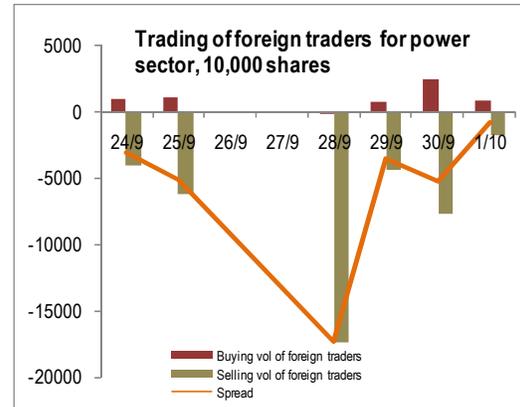
Source: BSC's synthetic

Trading of foreign traders

In week of 28th September to 2nd October foreign traders continued to be net sellers however, selling pressure had lessened compared to the last week



We also realized that these traders bought in shares of power and pharmaceutical in this week



Source: BSC's synthetic

Recommendation

Last weekend session showed phenomenon of bottom catching of investors. However, we down adjustment will not finish soon next week. In fluctuating momentum, power and pharmaceutical should be considered, as to our suggestion

MARKET ZOOMED IN

HNX

TOP TRADING VALUE

No	Tickers	Trading value (Mil.VND)
1	VCG	1,006,750
2	KLS	907,278
3	KBC	433,532
4	ACB	400,560
5	SHB	308,440

TOP TRADING VOLUME

No	Tickers	Trading volume (Shares)
1	KLS	1,909,000
2	VCG	1,710,230
3	SHB	970,360
4	KBC	904,680
5	ACB	888,010

TOP BID BY FOREIGN TRADERS

No	Tickers	Volume	Aver vol/ session (Shares)
1	PVS	530,300	132,575
2	HOM	467,500	116,875
3	DBC	255,000	63,750
4	NTP	232,600	58,150
5	DXP	165,700	41,425

TOP OFFER BY FOREIGN TRADERS

No	Tickers	Volume	Aver vol/ session (Shares)
1	HOM	490,700	122,675
2	PVI	480,900	120,225
3	VCG	479,400	119,850
4	SD5	355,200	88,800
5	BVS	344,800	86,200

HOSE

TOP TRADING VALUE

No	Tickers	Trading value (Mil.VND)
1	STB	1,582,092
2	SSI	1,237,903
3	HAG	927,373
4	GMD	893,873
5	REE	887,386

TOP TRADING VOLUME

No	Tickers	Trading volume (Shares)
1	STB	4,740,396
2	REE	1,572,891
3	VFMVF1	1,541,764
4	SSI	1,468,132
5	SAM	1,131,108

TOP BID BY FOREIGN TRADERS

No	Tickers	Volume	Aver vol/ session (shares)
1	FPT	176,297	35,259
2	STB	159,679	31,936
3	DPM	144,343	28,869
4	VNM	78,566	15,713
5	ITA	64,972	12,994

TOP OFFER BY FOREIGN TRADERS

No	Tickers	Volume	Aver vol/ session (Shares)
1	VFMVF1	264,920	52,984
2	FPT	259,113	51,823
3	DPM	173,257	34,651
4	VCB	120,920	24,184
5	VNM	104,162	20,832

Source: HOSE and HNX and BSC's synthetic

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