

## DAILY REPORT

### 01 December 2009

#### Vietnam Jan-Nov FDI Inflows Down 10.4%: Gov't

Foreign direct investment (FDI) into Vietnam dropped 10.4% to US\$9 billion in the first 11 months of 2009 from the same period a year before, the government said on Friday. New pledges between January and November reached \$19.7 billion, near the country's annual target of \$20 billion. FDI in the red-hot property development sector totaled \$5.9 billion, the government said.

#### Prime Minister Requests Two State-owned Groups Sell Dollars

Prime Minister Nguyen Tan Dung on November 26 signed a document requesting Vietnam National Oil and Gas Group (PetroVietnam) and the Vietnam Coal and Mineral Industries Group (Vinacomin) to sell foreign currency to the State Bank of Vietnam. The document was released after the State Bank of Vietnam asked the Prime Minister to urge state owned corporations to sell dollar to banks as a measure to stabilize the foreign currency market. Governor of the State Bank of Vietnam Nguyen Van Giau has promised to sell dollars to commercial banks so that banks can have dollars to sell to businesses.

#### Rubber group develops residential-industrial complexes

Saigon VRG Investment Holdings Corp. under Vietnam Rubber Group (VRG) announced on Wednesday it is developing two property complexes of both industrial park and township in HCMC and Tay Ninh Province, and called on investors to set up shop there. The Phuoc Dong Boi Loi Service Urban Industrial Park project covers over 3,150 hectares encompassing Go Dau and Trang Bang districts in the southern province of Tay Ninh. This complex will have a township of 650 hectares with a 36-hole golf course over 250 hectares, and an industrial park occupying the remaining space. The project will be carried out in phases, with the first phase of 2,190 hectares costing VND5 trillion. It will consist of an industrial park and auxiliary facilities, said Tran Cong Kha, general director of Saigon VRG Investment Holdings Corp.

#### Sale of Borrowed Stocks Banned

The government has prohibited the short sale of stocks in a move to stabilize the shaky exchange. According to the order given by the State Securities Commission (SSC) on Tuesday, brokerages starting next month will be limited to allowing their customers to sell only stocks that they own in their accounts, meaning the soonest they can sell a stock is four days after they buy it. Under Vietnam's Securities Law, which took effect at the beginning of 2007, brokerages can allow short-selling – the sale of borrowed stocks in the hope of buying them back at a lower price – in accordance with instructions by the Finance Ministry. Though the regulation is still pending official guidance, many large brokerages have already lured investors by allowing them to sell shares one or two days after they buy them.

#### Exchange rate (\*):

	Curr.	Prev.	%chg.
	30/11/2009	29/11/2009	
US\$/VND	18,495.00	18,487.00	0.043%
US\$/Yen	81.41	82.18	-0.939%
Euro/US\$	1.591	1.554	2.328%

(\* applicable in Vietnam only)

#### External factor:

	Sep 09	Oct 09
Exports (YoY%)	-14.3%	-13.8%
Imports (YoY%)	-25.2%	-21.4%
Trade balance (US\$, m)	-6,542	-8,783
FDI (US\$, m)	5,625.2	

#### Public factor:

	Dec 08	Mar 09
Budget balance (VND, bil)	-66,900	-14,290

#### Stocks in focus as of Dec 01, 2009

Stock Exchange	Stock	Support	Resistance
HOSE	ANV	20-21	23-24
	SBT	11-12	13-14
HNX	ACB	36-38	41-43
	EBS	20-21	24-25
	KLS	27-28	32-33
	TLC	11-12	13-14

#### Domestic monitor:

	Sep 09	Oct 09
Retail Sales (VND, bil)	845,416	958,274

#### Interest rate monitor:

	-1M		-3M	
	31/10/09	30/09/09	31/07/09	
Interbank (O/N)	6.33%	5.80%	5.26%	
10-year bond (VN)	10.1% p.a	10% p.a	9.8% p.a	
3-month LIBOR	0.28063%	0.28688%	0.47938%	

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**MARKET ANALYSIS**

**Hochiminh Stock Exchange (HOSE)**

VN-Index continues its rally today by breaching the 200-day WMA line again and finally prevails above this line. The index will shortly challenge its 10-day WMA line at 512-515 since daily RSI and Stochastic begin to show positive signals. However, in longer term, this interim rebound will not change the bearish trend as per the indication from all weekly MACD, RSI and Stochastic. In addition, there is a possibility for a Death Cross to appear at 540-545, which imply a downturn trend with the major supporting line at 445-450 where the 75-week WMA line locates. Investors can unload stocks which was bought late last week to realize profit.



VN-Index: **504.12<sup>P</sup> - ↑13.5<sup>P</sup> (↑2.75%)**

**Hanoi Stock Exchange (HNX)**

Although HNX-Index makes an impressive step today, it has still not yet closed the gap at 162-165. In daily pattern, the RSI and Stochastic begin to show a positive signal, but not yet MACD and the Death Cross, which is most likely to appear tomorrow at 165-168, will be the strong resistance for the index. We assume the index may go up in the next few sessions to challenge the 200-day WMA line at 167. However, in longer term, its bearish trend still dominates since we do not see any improvement from weekly RSI, Stochastic and MACD. Moreover, in weekly pattern, the chance for the Death Cross at 175-180 are higher. We are of the opinion HNX-Index will likely to hit its 75-week WMA line at 147-150 again.



HNX-Index: **161.85<sup>P</sup> - ↑6.44<sup>P</sup> (↑4.14%)**

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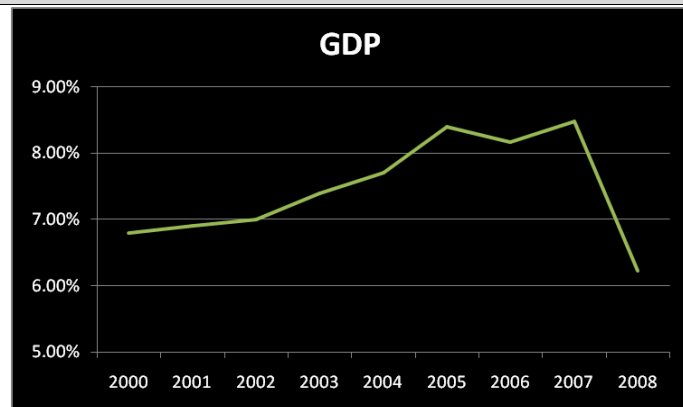
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**FIGURE 1: CPI by group**

	Sep-09	Oct-09	%MoM	Oct-09 %YoY
Food & foodstuffs	175.95	176.52	0.32	2.54
Beverage & Cigarette	138.06	138.25	0.14	7.74
Clothing	134.30	134.67	0.28	6.84
House Materials	151.09	151.92	0.55	2.37
House Appliances	132.92	133.21	0.22	5.77
Medical Products	126.93	127.14	0.17	3.37
Transport & Communication	131.12	132.13	0.77	-4.56
Telecom	74.33	74.33	0.00	-10.94
Education	121.28	122.16	0.73	6.21
Entertainment	119.15	119.17	0.02	2.96
Miscellaneous	145.95	146.65	0.48	10.80
<b>Total</b>	<b>152.07</b>	<b>152.63</b>	<b>0.37</b>	<b>2.99</b>

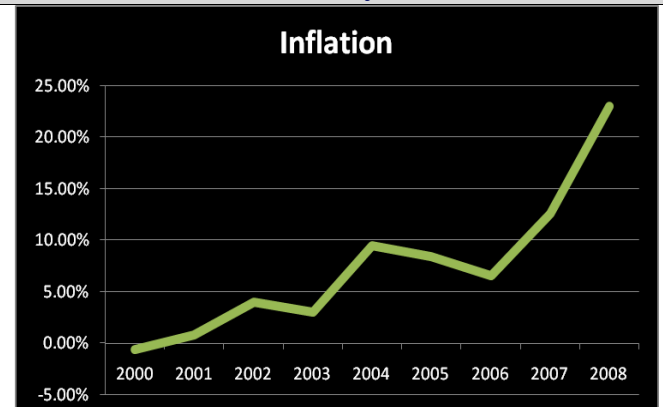
Source: GSO, Bloomberg

**FIGURE 2: GDP Growth**

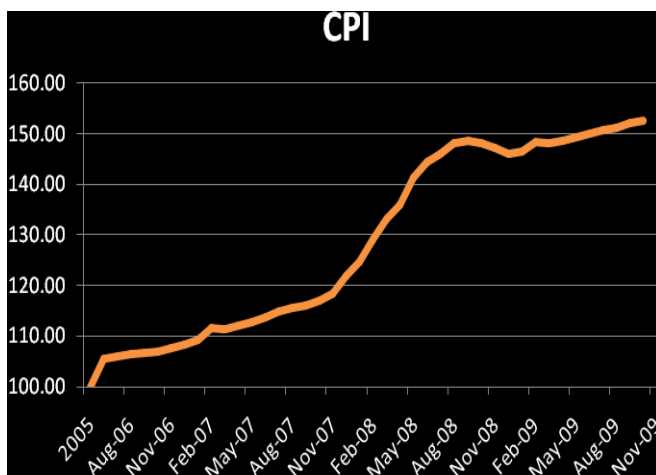


Source: GSO

**FIGURE 3: Inflation History**

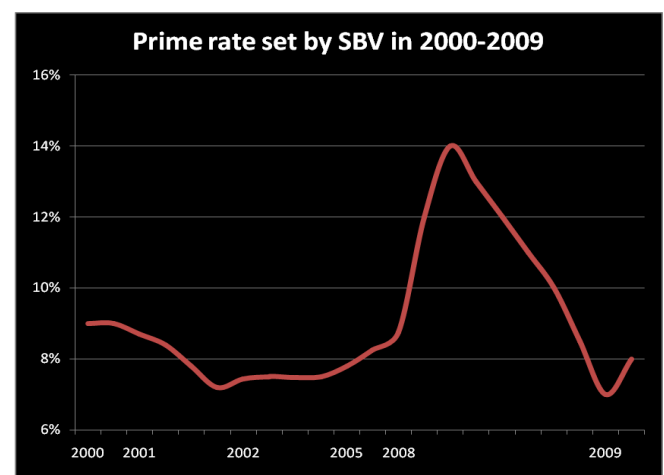


**FIGURE 4: CPI Chart**



Source: GSO

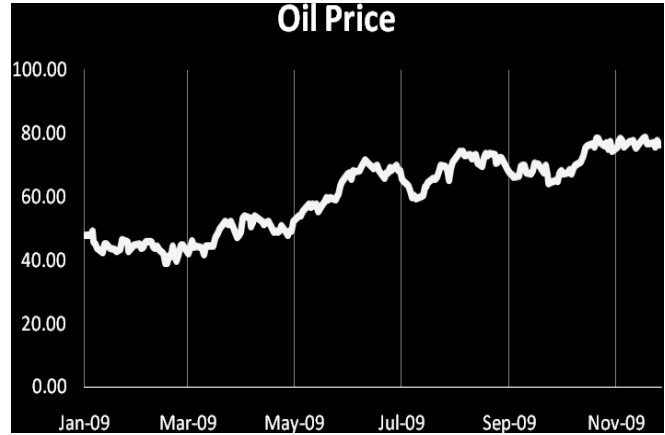
**FIGURE 5: Prime rate**



Source: SBV

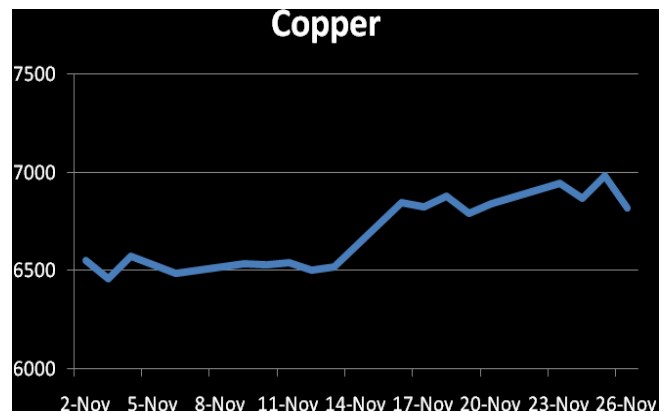
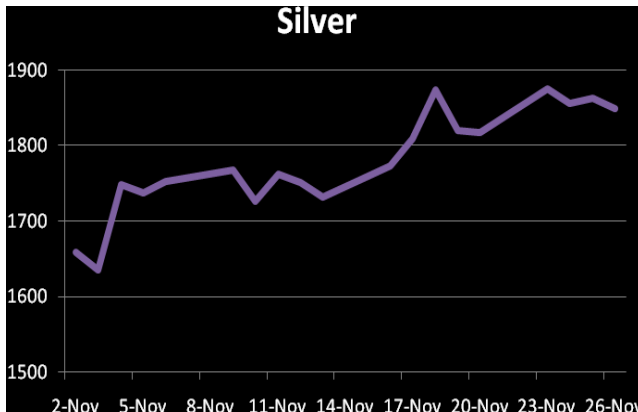
**FIGURE 6: Gold Price (US\$/ounce)**

**FIGURE 7: Crude Oil Price (US\$/barrel)**



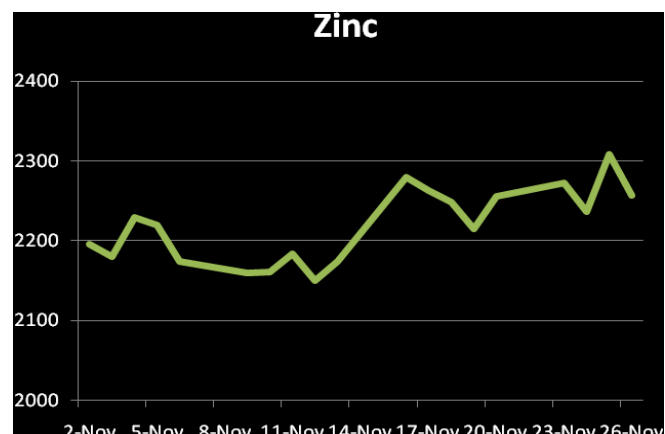
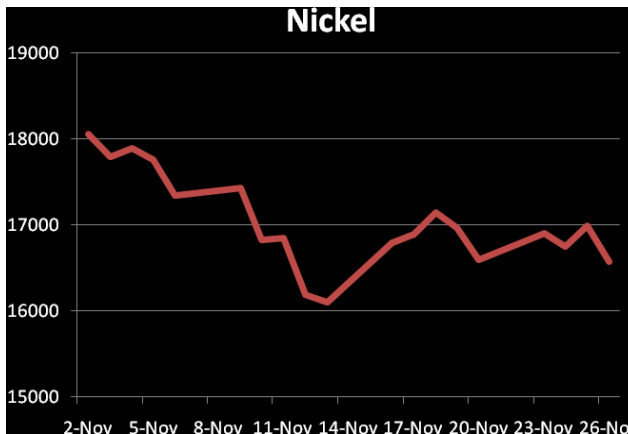
**FIGURE 8: Silver Price (US\$/troy ounces)**

**FIGURE 9: Copper Price (US\$/ton)**



**FIGURE 10: Nickel Price (US\$/ton)**

**FIGURE 11: Zinc Price (US\$/ton)**



Source: Kitco, Bloomberg