

DAILY REPORT

22 October 2009

Business index reflects rising confidence

According to a survey conducted by US-based World Vest Base Financial Intelligence Service and PetroVietnam Finance Investment and Consultancy Company, the business confidence index in the third quarter of this year increased by six points against the second quarter. After bottoming out at 3.1 per cent in the first quarter, Vietnam's economic growth rebounded to 4.5 per cent in the second quarter and 5.8 per cent in the third quarter. Economists said that the economic growth results had been driven by the governmental stimulus package, worth about \$6.9 billion.

ADB offers grant to formalize microfinance services

The Asian Development Bank (ADB) on Monday signed an agreement with Vietnam to provide a US\$1.5 million grant funded by Japan to help the country bring its unregulated microfinance programs into the formal sector to provide increased financial support for the poor. The project will be implemented over two years with the State Bank of Vietnam (SBV) as the executing agency. The Government will provide counter capital equivalent to US\$150,000 while participating microfinance institutions will supply matching funds for a total of US\$2.45 million. Under the grant, five microfinance programs will be included in the formal sector.

Deutsche Bank, Vinacapital invest in Hoan My Medical

Deutsche Bank AG's DWS Vietnam Fund and Vinacapital Investment Management Ltd. invested \$10 million each to take a 40 percent stake in Vietnam's Hoan My Medical Corp., helping the healthcare group to expand its business. Hoan My will build two more hospitals and two clinics in Ho Chi Minh City and upgrade three existing hospitals, Nguyen Huu Tung, Hoan My's chief executive officer, said Tuesday. The company will also consider listing in the future.

MARKET ANALYSIS:

There was a small change due to VNI's short term direction. The market keeps rising with slow pace along the 10-day WMA line. Although the index yet to make a new high, we believe it could soon targets a former Tweezers Bottom of 640-650 as RSI and Stochastic exhibited buy signals. Any correction at interim should be considered investing more with recommended stocks in the table.

Exchange rate:

	Curr.	Prev.	%chg.
	21/10/09	20/10/09	
US\$/VND*	17,855.00	17,852.00	0.017%
US\$/Yen*	87.71	87.61	0.105%
Euro/US\$*	1.543	1.542	0.023%

(* applicable in Vietnam only)

External factor:

	Aug 09	Sep 09
Exports (YoY%)	-14.2%	-14.3%
Imports (YoY%)	-28.2%	-25.2%
Trade balance (US\$, m)	-5,121	-6,542
FDI (US\$, m)	5,428.9	5,625.2

Public factor:

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

Recommended stocks as of Oct 22, 2009

Stock Exchange	Stock	Support	Resistance
HOSE	PTC	13-15	20-22
	NAV	18-20	30-32
	BMC	75-78	100-103
	PVT	20-21	25-26
HNX	VNR	30-32	45-47
	PVI	34-36	45-47
	PJC	27-29	38-40
	VNC	25-27	30-32

Domestic monitor:

	Aug 09	Sep 09
Retail Sales (VND, bil)	742,699	845,416

Interest rate monitor:

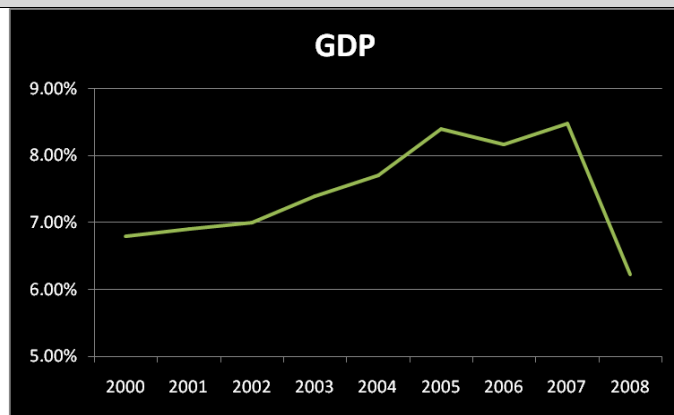
(%)	30/09/09	-1M 31/08/09	-3M 30/06/09
Interbank (O/N)	5.80	6.61	5.15
10-year bond (VN)	10% p.a	10% p.a	9.4% p.a
3-month LIBOR	0.28688	0.34750	0.59500



A group of bullish candlesticks which appeared above the 10-day WMA line around 200-210 indicates HNX's current rally will extend. Although an overbought condition may cause somewhat adjustment, there should cause no major impact to a medium-term outlook, meantime should present a sound opportunity for more investment. On a short-term basis, a former Tweezers Bottom of 240-250 will acts as interim resistance while 330-350 remains major target given a medium-term outlook.



FIGURE 1: GDP Growth



Source: GSO, Bloomberg

FIGURE 2: Inflation History

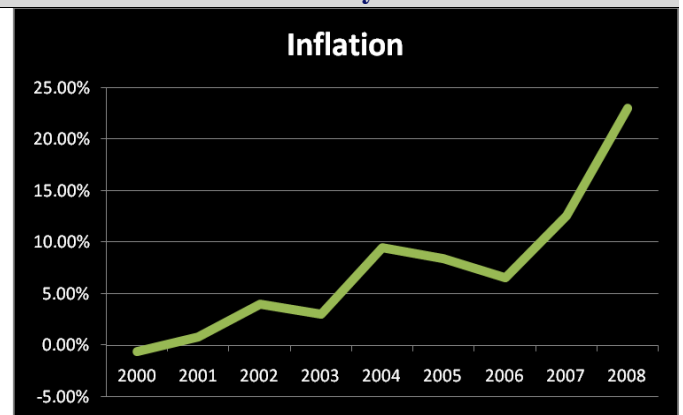
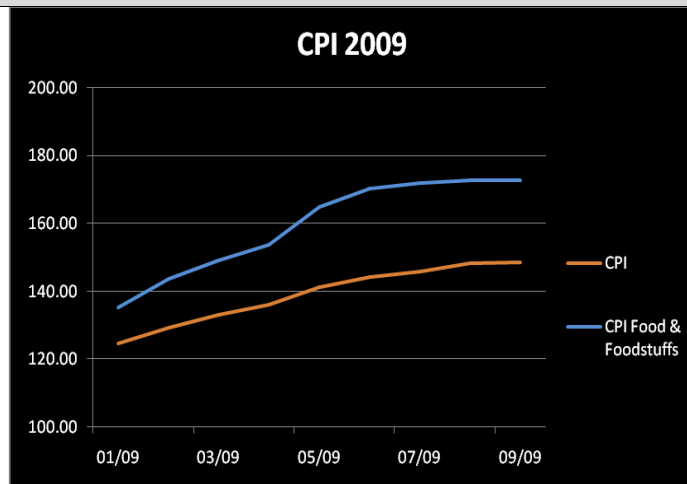
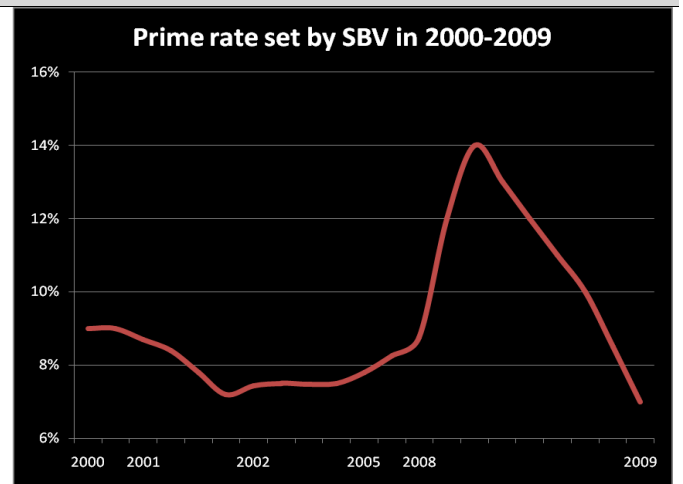


FIGURE 3: CPI Chart



Source: GSO

FIGURE 4: Prime rate



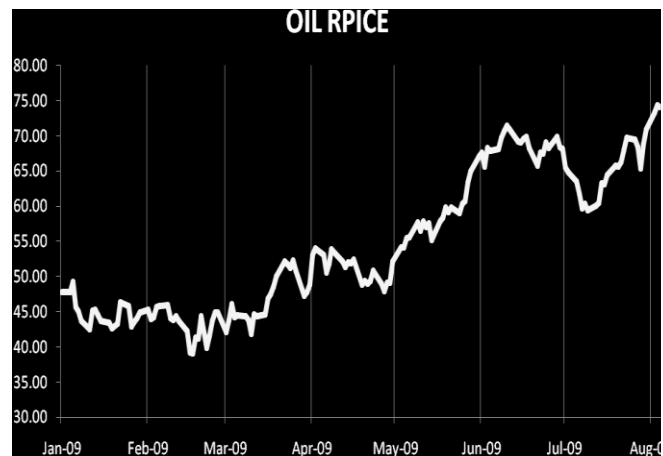
Source: SBV

FIGURE 5: CPI by group

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

Source: GSO & Bloomberg

FIGURE 6: World Gold & Oil Chart



Source: www.kitco.com, Bloomberg

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