

DAILY REPORT

13 November 2009

Vietnam's Jan-Oct credit growth at 33.3 pct: central bank

Vietnam's bank lending at the end of October rose 33.3 percent from the end of 2008, in line with a government forecast of credit growth above 30 percent this year, the central bank said. Money supply last month increased 23.99 percent from December 2008, while bank deposits rose 25.72 percent in the same period, the State Bank of Vietnam said in its monthly report for October seen on Monday. It gave no values for loans and deposits.

No Float Of Dong Against Dollar

The State Bank of Viet Nam denied rumours yesterday that it would widen the daily trading band of the US dollar-Viet Nam dong exchange rate, urging the public to stay calm against the sudden surges in the price of the greenback on black market. Yesterday, one US dollar was going for about VND19,020-19,160 on the street, an increase of VND250 over Friday, with the black market being driven by whispers that the State Bank was considering a wider trading band for the currency. Since the beginning of the year, the dollar has gained over 5% against the dong on the official market. In September, the interbank rate was VND16,976 per dollar; on October 10, it was VND17,000. Yesterday, the rate reached an all-time high of VND17,021.

Vietnam economic growth hits decade-low

Vietnam's economy is estimated to grow around 5.2 percent this year, the lowest rate in a decade, Prime Minister Nguyen Tan Dung said at the opening of the 6th sitting of the 12th National Assembly in Hanoi. Urban unemployment is forecast to rise to 4.66 percent this year from 4.65 percent in 2008, while "human resource development, administrative reform and budget spending still have shortcomings," he said. Dung said 2009 "has been a year of difficulties and challenges" with exports and tourism down sharply, industrial output, while recovering, still low, and a noticeable hoarding of dollars. Despite great challenges, he said, Vietnam had weathered the economic slowdown, development investment was on the rise, and production was increasing, thereby providing more jobs. Dung also announced a 2010 economic growth target of 6.5 percent, GDP of VND1,931 trillion (\$106 billion) and per capita output of \$1,200.

MARKET ANALYSIS:

HOSE has been falling for three consecutive weeks from 633 to mark a low at 520 this Monday. The index breached all its 10-, 25- and 75-day WMA lines and approaching the 200-day WMA line around 490. The market bounced back at interim due to short-term oversold condition. We do not expect any sustainable since there yet any concrete bullish reversal signal. Present upward swing could lose its momentum at 570-580 where we found a big gap and major moving average lines. On a longer term basis, given a weakening weekly RSI and Stochastic, the corrective cycle that originated at 633 inclines to continue and eventually targets the 200-day WMA line of 480-500 area. Short term recovery is therefore a good opportunity to unload stocks.

Exchange rate:

	Curr.	Prev.	%chg.
	12/11/2009	11/11/2009	
US\$/VND*	17,873.00	17,870.00	0.017%
US\$/Yen*	83.54	83.46	0.092%
Euro/US\$*	1.612	1.607	0.272%

(* 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

Recommended stocks as of Nov 13, 2009

Stock Exchange	Stock	Support	Resistance
HOSE	CII	48-50	65-67
	BHS	25-27	37-39
	SJS	135-140	180-185
	GMD	60-63	85-88
HNX	NTP	95-100	130-135
	CDC	48-50	65-57
	DBC	30-32	42-44
	VCG	45-47	68-70

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

Interest rate monitor:

(%)	31/10/09	-1M 30/09/09	-3M 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



HASTC also rebounded after undergoing an extended declining for the past weeks. The index bounced back from 175 to 185 area. Yet, this should be a temporary event due to short term oversold. The medium-term outlook remains weak as the index moved well beneath its 10-, 25- and 75-day WMA lines. There is less possibility that a coming upswing will prevail above a Dead Cross at 200 level. It's time to go short as HASTC probably encounters a significant adjustment of which the 200-day WMA line at 150-160 becomes major support.



FIGURE 1: GDP Growth

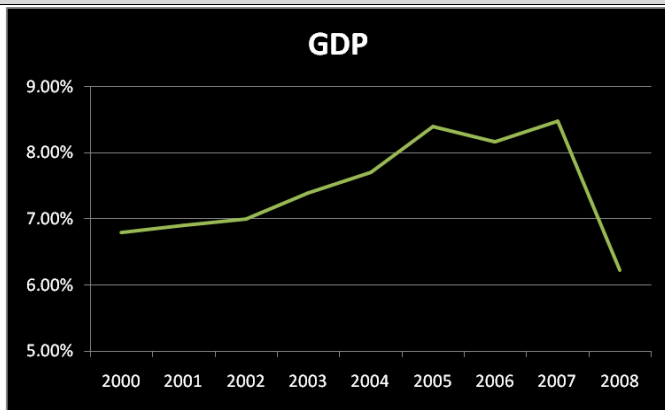
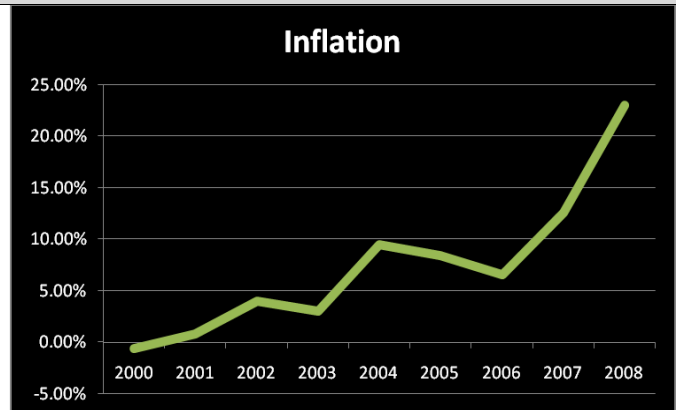
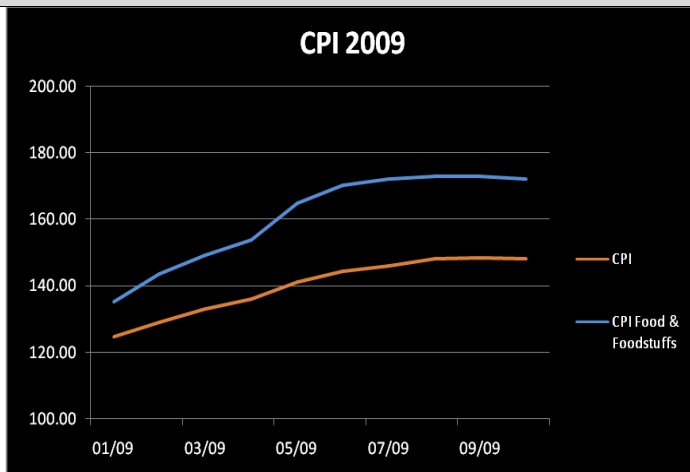


FIGURE 2: Inflation History



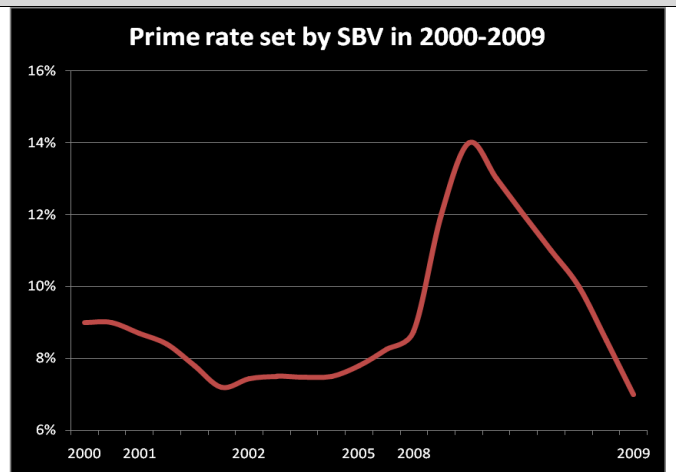
Source: GSO, Bloomberg

FIGURE 3: CPI Chart



Source: GSO

FIGURE 4: Prime rate



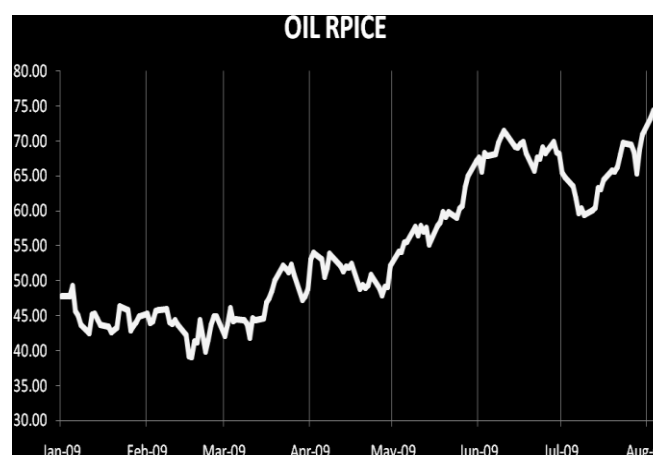
Source: SBV

FIGURE 5: CPI by group

	Sep-09	Oct-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
Total	152.07	152.63	0.37	2.99

Source: GSO & Bloomberg

FIGURE 6: World Gold & Oil Chart



Source: www.kitco.com, Bloomberg

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