

DAILY REPORT

28 September 2009

Binh Duong counts on U.S., Europe investors for added value

Binh Duong chairman Son said the province had attracted 1,820 foreign investment projects from 36 countries and territories with combined investment capital of US\$12.8 billion, and U.S. investors had registered US\$330 million for 74 of the projects in the province.

ADB upbeat about Vietnam GDP growth

HANOI – The Asian Development Bank (ADB) has given a more upbeat forecast of Vietnam's gross domestic product growth, saying the economy could expand 4.7% this year, up from 4.5% predicted in March. The Asian Development Outlook 2009 Update report also puts Vietnam's 2010 growth at 6.5% provided that the Government will not take extra stimulus measures for 2010 and the central bank will adopt an appropriate monetary tightening policy.

City discloses VND3-trillion bond plan for Thu Thiem

HCMC - The HCMC Urban Development Investment Fund (HIFU) plans to issue bonds worth VND3 trillion in the next few days to mobilize funds for developing the Thu Thiem new urban area in the city's District 2.

Vietnam's property market to recover next year

The local real estate market is expected to recover in the 2010-2011 period, Vietnam Report Joint Stock Co. said, citing positive responses from a recent survey. Nearly 57% of enterprises surveyed predict that property prices in big cities will remain at current levels and nearly 43% think prices will go up next year. No one predicts falling prices.

MARKET ANALYSIS:

Having experienced a correction from recent high of 594, VNI rebounded shortly after testing its 10-day WMA line around 560-570. The index closed 582 on Friday with a Bullish Engulfing pattern. The market is thus likely to further bounce in the beginning of this week. However, since the Stochastic just exhibited sell signal, a coming upswing will be temporary and less likely to surpass 594. Investors should consider taking profits as VNI reaches 590-595 interval. On a longer basis (2-3 weeks time frame), we expect a fresh correction as a consequence of weakening Stochastic. The index may again retreat to 560-570 at which present re-entry mode for short-term investors. **Stocks presented here should be unloaded as their near term upside becoming smaller.**

Exchange rate:

| | Curr. | Prev. | % chg. |
|------------|-----------------|-----------------|---------|
| | 25/09/09 | 24/09/09 | |
| US\$/VND* | 17,842.00 | 17,841.00 | 0.006% |
| US\$/Yen* | 88.17 | 88.53 | -0.410% |
| Euro/US\$* | 1.509 | 1.519 | -0.698% |

(* 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 Sept 28, 2009

| Stock Exchange | Stock | Support | Resistance |
|----------------|-------|---------|------------|
| HOSE | PVF | 34-36 | 45-47 |
| | KDC | 85-87 | 105-107 |
| | BCI | 63-65 | 76-78 |
| | REE | 50-52 | 58-60 |
| HNX | VSP | 35-37 | 48-50 |
| | HPC | 25-27 | 33-35 |
| | BVS | 70-72 | 85-87 |
| | NBP | 35-37 | 42-44 |

Domestic monitor:

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

Interest rate monitor:

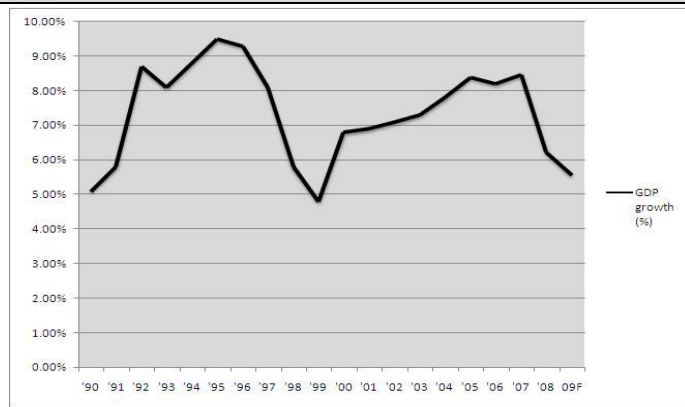
| (%) | -1M | | -3M | |
|-------------------|----------|----------|----------|--|
| | 20/08/09 | 30/06/09 | 29/04/09 | |
| Interbank (O/N) | 6.37 | 5.15 | 5.79 | |
| 10-year bond (VN) | 9.8% p.a | 9.4% p.a | 9.3% p.a | |
| 3-month LIBOR | 0.46125 | 0.54208 | 0.49589 | |



Given HNX medium-term outlook, it becomes bullish. The index just finished its consolidation weeks ago after which utilizing 140-160 as a solid reversal platform. The market has been gradually moving up along its 10-day WMA line and now closed at 182. It may soon hit a neckline of Head & Shoulders Bottom at 190-200, which could restrain somewhat upward momentum. Nonetheless, it shall not cause the market much vulnerable. Investors can either trade HNX stocks in 170-200 range over next few weeks. For the long term prospect, the Head & Shoulders Top suggest 330-350 to be an ultimate target. Stocks in the table are good for short term trading.



FIGURE 1: GDP Growth



Source: www.chinhphu.vn

FIGURE 2: Inflation History

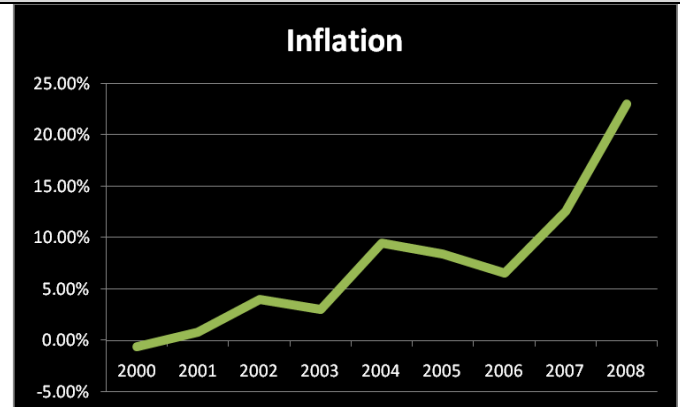
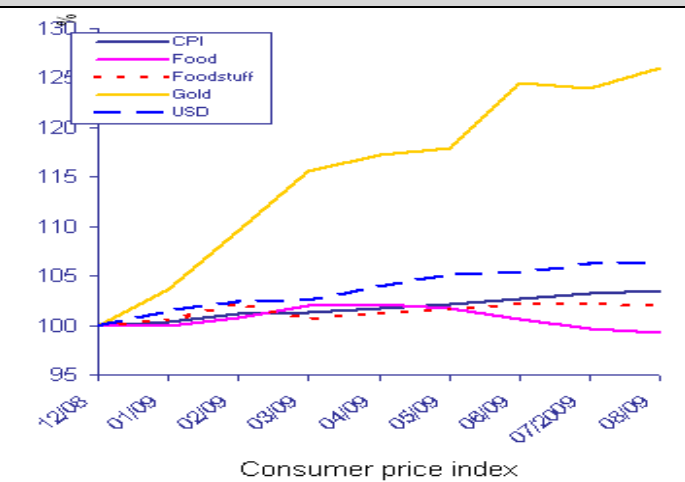
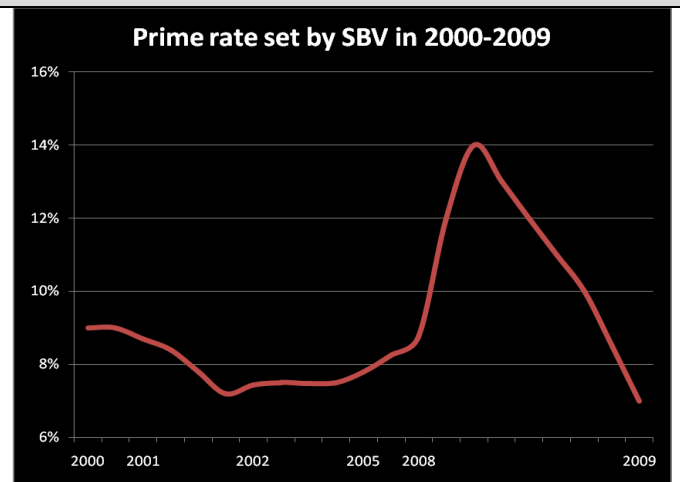


FIGURE 3: CPI Chart



Source: GSO

FIGURE 4: Prime rate



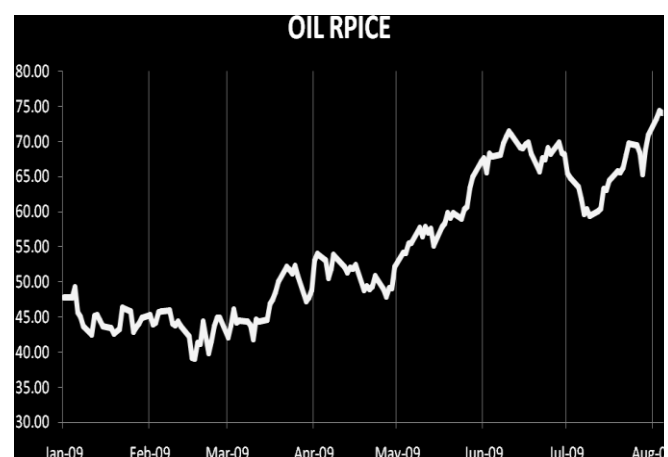
Source: SBV

FIGURE 5: CPI by group

| | Jul-09 | Augt-09 | Index | Augt-09 %MoM | Augt-09 %YoY |
|---------------------------|---------------|---------------|---------------|-----------------|-----------------|
| Food & foodstuffs | 176.01 | 175.87 | 175.87 | -0.08% | 1.74% |
| Beverage & Cigarette | 136.88 | 137.03 | 137.03 | 0.11% | 8.08% |
| Clothing | 132.72 | 133.41 | 133.41 | 0.52% | 7.37% |
| House Materials | 148.40 | 149.78 | 149.78 | 0.93% | 0.24% |
| House Appliances | 132.03 | 132.43 | 132.43 | 0.30% | 7.10% |
| Medical Products | 126.49 | 126.69 | 126.69 | 0.16% | 4.44% |
| Transport & Communication | 126.43 | 128.09 | 128.09 | 1.31% | -8.79% |
| Telecom | 74.38 | 74.35 | 74.35 | -0.04% | -11.09% |
| Education | 116.07 | 116.24 | 116.24 | 0.15% | 3.20% |
| Entertainment | 118.71 | 118.85 | 118.85 | 0.12% | 4.57% |
| Miscellaneous | 144.67 | 145.25 | 145.25 | 0.40% | 11.08% |
| Total | 150.77 | 151.13 | 151.13 | 0.24% | 1.97% |

Source:GSO & Bloomberg

FIGURE 6: World Gold & Oil Chart



Source:www.kitco.com, Bloomberg

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