

WEEKLY NEWSLETTER

Market at key resistance with further upside if this resistance is broken!

| | |
|-------------------------|---|
| WORLD MARKETS .. | 2 |
| VIETNAM STOCK MARKET .. | 5 |
| STATISTICS..... | 6 |

SHF

By:

Nguyen Viet Duc

(Director of Research)

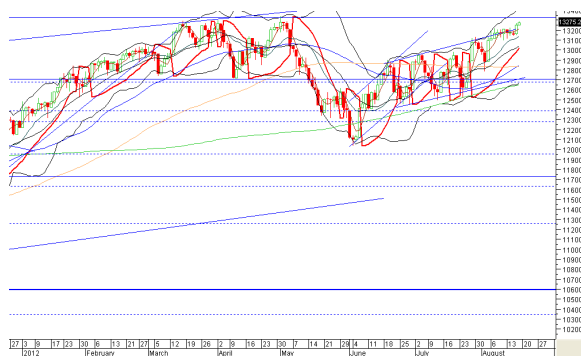
Stock market

U.S:

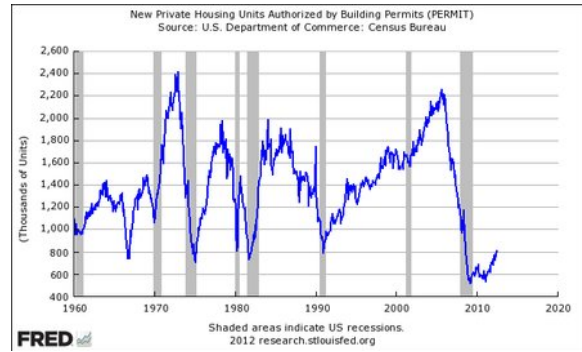
Economic data continued to improve to boost up the stock market. Even the retail sales that moved in reverse mode to other indicators is the last few months starts to look positive again, while building permits were strong after multi year drag. Citigroup economic surprise index showed a positive reversal while inflation was tamed.

With improved data, it's unlikely for Fed to move decisively in this September meeting. Some think about actions to actual lending by banks through Fed quit paying interest on reserves, but that may increase money supply.

Dow Jones is going to test this year high soon. The low volume is a concern but the return of investors after August vacation will determine the mood for the market in September and the rest of the year.



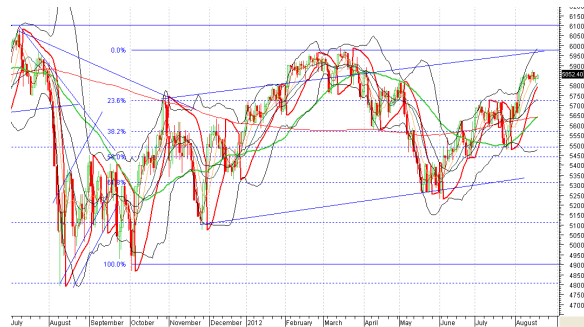
Dow Jones as 8/17/2012



Building permits are up and strong

Europe:

Europe is calm waiting for the next big move when politicians come back from their August vacation. GDP for Europe turned out to be marginally better than forecast. Great Britain retail sales recovered well from last month decrease..



FTSE at 8/17/2012

China new home prices rose again under the effects of interest rate cut and incentives for first time buyers.

Shanghai stock index does not react too positive to this piece of news and is retesting the low of 2100 again, which will be crucial to determine the next move. We will be cautious with China stocks for the moment, and that means Vnindex

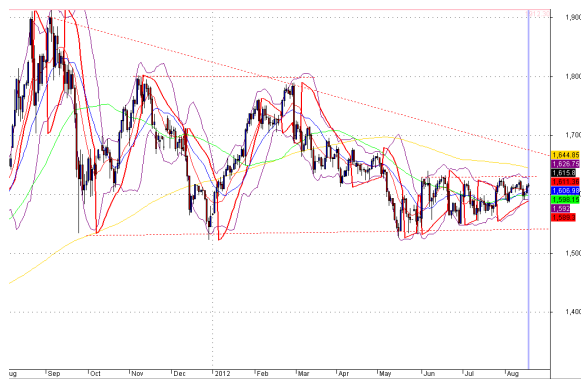
and Hnxindex, which often correlate well with Shanghai index, may not move to far ahead.



Shanghai index as of 8/17/2012

Gold

Gold does not change much for the week, helped by the calm of the financial market but hindered by expectation of Fed no move. We will not rush to buy gold just yet.



Gold as of 08/17/2012

Other channels

VIX:

Vix is going down and has broken the lowest for this year. Vix seems to move as low as 11 which is the all time low during 2004-2007 period. This is quite strange since this time is quite different but at least for now, investors show

calmness and may be belief in Europe and US actions to save the world economy, which drives down the risk factor.

But as we mentioned, recently, VIX calm down period is often preceding a very sharp climb so we will be cautious in the next 1- 2 months. But for now, things are just fine.



Vix index as of 8/17/2012

EUR lower after ECB announcement

EUR is still in its mid term down trend versus USD, but at least price stabilizes right now



EUR has near term support at 1.2 but can still move lower

The risk on factor has made JPY not a good way to invest. Whilst, Fed no quantitative easing in sight makes US dollar much stronger and is

forming a double bottom pattern which promises upside to the 80-82 level on average.



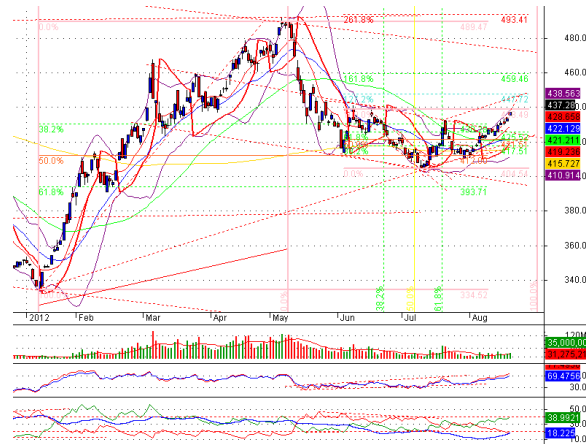
USD seems to return to its uptrend versus JPY

Stock market comment

Similarly to foreign markets, not much has happened this week in Vietnam, and that is good as investors calm down. The stock market was led by blue chips on Vnindex which moved up substantially while HNX index barely moved up as it comprises mainly low quality stocks. The volume does not improve as there's no catalyst but the market still moves up. Firms with good forecast for the latter half of 2012 and firms with ample cash to pay dividends is attracting money flows.

Strategy:

Vnindex has broken out of the neckline of the reversal head and shoulders pattern and is likely to move up to our target at 450. 438 is the next key level to break and we expect some correction at this key level. In general, technical indicators point to the upside with no reversal yet so we suggest investors holding on to their portfolios. We think that August is likely to be an up month but September is more tricky.



Vnindex as of 08/20/2012: Volume improves at key resistance o 438..

HNX has been weaker but this Monday, we saw a rise in speculation, which is positive for HNX. HNX now is right under the key resistance of 71 which is also the MA50. While we think that HNX will break this resistance, a little concern is recommended. If this uptrend continues for the next 2 weeks, then HNX now may provide better return than Vnindex and if the trend ends here, Hnx offers lower correction. We suggest a few speculative stocks and fundamental stocks on HNX for its better return/risk ratio now such as BVS, PVS, PVC, KLS.



Hnxindex has better return/risk ratio now.

| Date | 31-Dec | 1-Mar | 8-Jun | 6-Jul | 3-Aug | 10-Aug | 17-Aug | Change last week | Change 2 weeks ago | YTD |
|-----------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|------------------|--------------------|---------------|
| P/E Market | 7.97 | 10.02 | 11.12 | 10.22 | 10.16 | 10.36 | 10.36 | 0.05% | 1.91% | 30.07% |
| Median | 6.36 | 7.86 | 8.12 | 7.51 | 7.41 | 7.58 | 7.68 | 1.39% | 2.30% | 20.77% |
| Top 3 | 27.73 | 32.78 | 27.86 | 26.29 | 25.40 | 26.10 | 25.75 | -1.34% | 2.77% | -7.14% |
| Top 11 | 15.30 | 19.40 | 17.74 | 17.09 | 16.92 | 17.34 | 17.46 | 0.71% | 2.50% | 14.15% |
| Securities | 10.07 | 13.49 | 15.13 | 13.51 | 13.79 | 14.51 | 14.44 | -0.42% | 5.15% | 43.42% |
| Real Estate | 12.30 | 14.80 | 16.83 | 15.32 | 14.99 | 15.09 | 15.17 | 0.55% | 0.63% | 23.34% |
| Banks | 8.13 | 10.64 | 10.98 | 10.46 | 10.45 | 10.61 | 10.64 | 0.24% | 1.58% | 30.80% |
| Industrials | 9.13 | 13.28 | 12.05 | 10.61 | 10.64 | 10.97 | 10.83 | -1.21% | 3.11% | 18.69% |
| Insurance | 10.62 | 13.11 | 12.18 | 10.89 | 10.59 | 10.81 | 10.67 | -1.37% | 2.14% | 0.47% |
| Pharmaceutical | 6.03 | 7.59 | 7.82 | 7.60 | 7.67 | 7.89 | 8.19 | 3.76% | 2.93% | 35.75% |
| Food | 10.48 | 12.80 | 15.24 | 14.77 | 14.46 | 14.61 | 14.63 | 0.12% | 1.07% | 39.63% |
| Construction | 3.49 | 5.51 | 6.19 | 5.18 | 5.16 | 5.27 | 5.17 | -1.83% | 2.11% | 47.94% |
| Transportation | 37.19 | 41.33 | 38.51 | 35.02 | 35.29 | 35.65 | 34.68 | -2.72% | 1.00% | -6.77% |
| Chemicals | 4.60 | 5.47 | 6.03 | 5.54 | 5.53 | 5.68 | 5.76 | 1.39% | 2.59% | 25.06% |
| Construction material | 5.86 | 7.71 | 8.39 | 7.78 | 7.67 | 7.70 | 7.67 | -0.44% | 0.39% | 30.75% |
| Technology | 8.55 | 8.07 | 7.64 | 6.91 | 6.94 | 7.19 | 7.08 | -1.61% | 3.60% | -17.29% |
| Rubber | 3.68 | 3.57 | 3.63 | 3.56 | 3.62 | 3.66 | 3.68 | 0.53% | 1.13% | 0.12% |
| Power | 11.35 | 13.58 | 16.00 | 15.38 | 14.79 | 14.90 | 15.06 | 1.13% | 0.72% | 32.76% |
| Tires | 3.94 | 5.18 | 8.48 | 7.89 | 8.10 | 8.37 | 8.45 | 0.94% | 3.27% | 114.42% |
| Oil and petroleum | 5.79 | 6.91 | 6.62 | 6.34 | 6.37 | 6.38 | 6.62 | 3.72% | 0.15% | 14.31% |
| VN30 average | 11.44 | 14.99 | 14.96 | 14.07 | 13.99 | 14.30 | 14.33 | 0.26% | 2.18% | 25.32% |
| VN30 median | 8.52 | 10.34 | 9.87 | 9.62 | 10.16 | 10.81 | 10.82 | 0.14% | 6.37% | 27.08% |
| VN30 weighted | 13.09 | 15.92 | 14.93 | 14.37 | 14.38 | 14.69 | 14.77 | 0.59% | 2.12% | 12.86% |
| P/B market | 0.98 | 1.23 | 1.40 | 1.46 | 1.33 | 1.37 | 1.36 | | | |

Any recommendations contained in it are intended for the professional investors to whom it is distributed. This material is not and should not be construed as an offer to sell or the solicitation of an offer to purchase or subscribe for any investment. SHF has based this document on information obtained from sources it believes to be reliable but which it has not independently verified; SHF makes no guarantee, representation or warranty and accepts no responsibility or liability as to its accuracy or completeness. Expressions of opinion are those of SHF only and are subject to change without notice. The decision and responsibility on whether or not to invest must be taken by the reader. SHF and its affiliates and/or their officers, directors and employees may have positions in any securities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such securities (or investment).

This material may not be further distributed in whole or in part for any purpose. No consideration has been given to the particular investment objectives, financial situation or particular needs of any recipient.

Contact:

Research and Analysis department – Saigon-Hanoi Fund management company

Address: 8th floor, 18 Ly Thuong Kiet , Hanoi

Phone(084) 9.345.959/ 9.386.986