



# Money 360

April 25, 2017

---

**Mr. Vi Phuc Tran**

04/20/2017 – 04/24/2017

## MARKET OVERVIEW

First round of France's Presidential Election concluded with the stand-off between two opposite candidates: Macron with a "Unite with EU" perspective against Le Pen with the "France's independence from EU" mindset. The Euro rallied 2% against the US dollars early on Monday. The market is currently positive and confident about Macron's victory at May 7<sup>th</sup> second round, already EU related assets has recovered from their months long low. Up to date polls are also suggesting a Macron triumph.

The scenario however, strikingly resembling the Trump- Clinton stand-off. Trump presidency was also deemed unthinkable and impossible to happen by looking at polls and predictive market movements. Given recent gunshots and bombing incidents within Europe, I would personally wager on Le Pen presidency. Reasons being: As France is the second biggest economy within EU (excluding Germany), French people may choose to relieve themselves of the Union's common burden (Greek, for instant). If Le Pen is to become President, the panic flight from EU's assets would be more drastic than vice versa. People tends to be more overreact upon bad news, hence should not neglect the odds.

*\*Note: Le Pen as a President, could not singlehandedly trigger an Independent Referendum without the support of either Congress or Prime Minister. It is still a possible, although not easy outcome.*

In US, jobless claims from retail sector has reached recession-time level, their economy is showing signs of sluggishness. The Tax Policy and the Mexican Wall proposal has yet to be approved, Donald Trump is pinned under a deadline to deliver his most iconic promises. Any more delays and we might see another US Government shutdown. Fed's target of three hikes this year might be compromised.

Seeing how the new President is forced to achieve something soon, a called out meeting upon North Korea's dilemmas is worth noticing. As we speak, NK's celebrating their Army's 85<sup>th</sup> Anniversary. A missile/ nuclear test is most likely to happen after (the failed attempt previously only reinforce another test this time). US warships are at the moment stationed in South Korea. North Korea's remarks was rather aggressive and determined to retaliate strongly in a kamikaze manner. Beijing has yet to make a move (publicly) whilst Pyongyang earlier threaten to launch an attack against Australia. 4 Non- Korean are also being held hostage,

Without reasonable and cooperative actions from Kim Jong Un, the Peninsular is in a risk of war. Japanese Yen and Gold are most likely affected as a result. The first attacks (if there are any), shall be a swift- zero warning one, we should take precautions up ahead.

Gold, even though devalued from the France's election result, hold a bullish drive as safe havens are currently limited. A hedging position is thus advised.

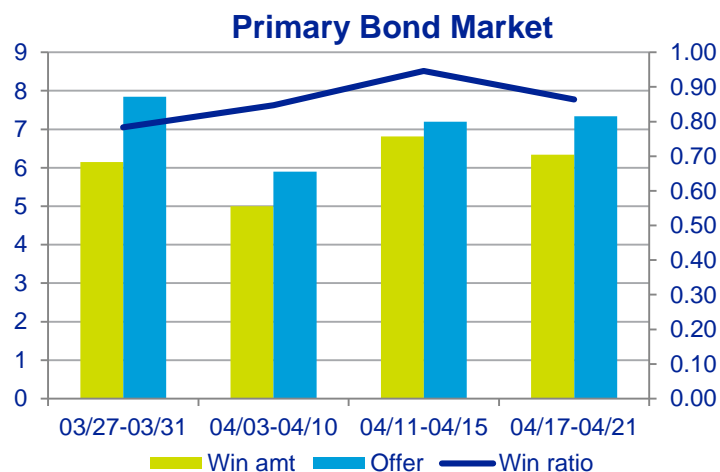
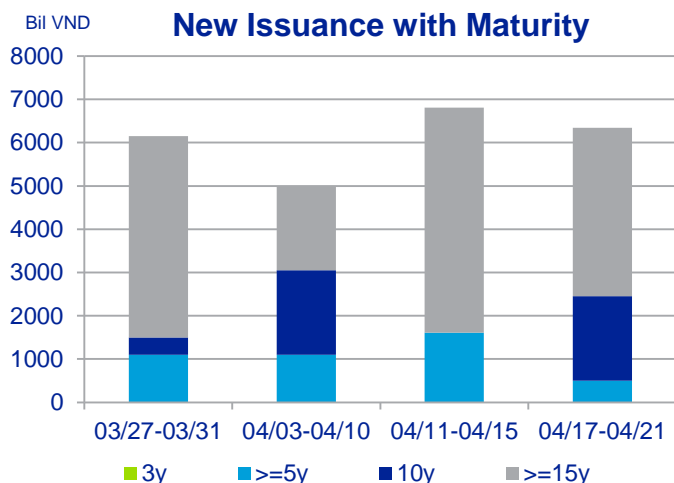
USD/ VND reference rate from SBV kept climbing, ceiling rate already exceeded VND 23,000. The SBV kept on purchasing more reserves, judging from the institutional trading prices

Other than that, things remain relatively unchanged from last week, we might have to wait until the events unfold in US (policies), EU (Elections), and North Korea to have a significant change

Please keep yourselves posted, even during the coming holidays, thank you.

## VGB-GGB MARKET

### PRIMARY BOND MARKET



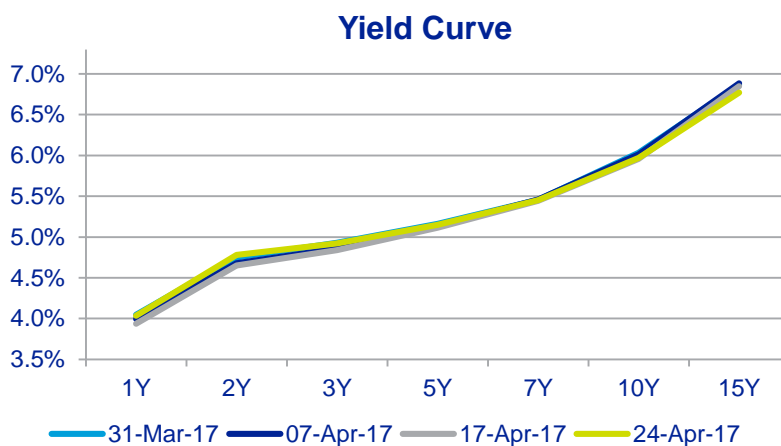
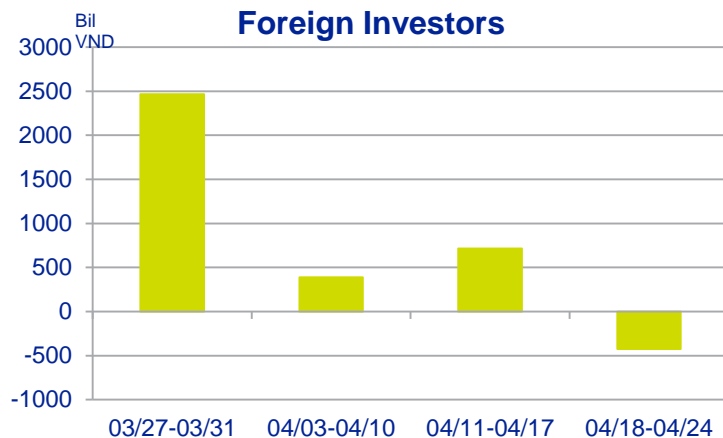
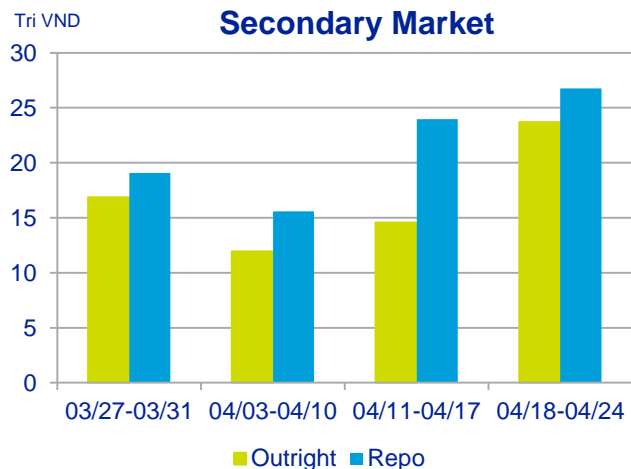
Source: HNX, ACBS

A visible trend for the recent weeks was the high demands for long term VGBs. Unlike previous months when most VGBs are highly absorbed both on short and long terms, lately tendency of undesired short term VGBs reflects a lack of funds excessiveness within depository institutions.

### Bond Issuance Schedule This Week

04/24/2017- 04/28/2017				
Issuer	Offer Amount	Issue Date	Maturity	Tenor
State Treasury	1,000,000,000,000	4/27/2017	3/23/2024	7
State Treasury	1,500,000,000,000	4/27/2017	4/27/2032	15
State Treasury	1,500,000,000,000	4/27/2017	4/20/2047	30
State Treasury	1,000,000,000,000	4/27/2017	3/30/2037	20
State Treasury	1,500,000,000,000	4/27/2017	3/9/2022	5

## SECONDARY BOND MARKET

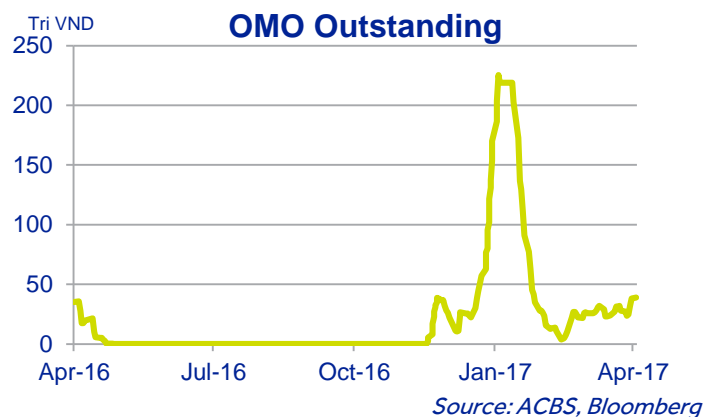
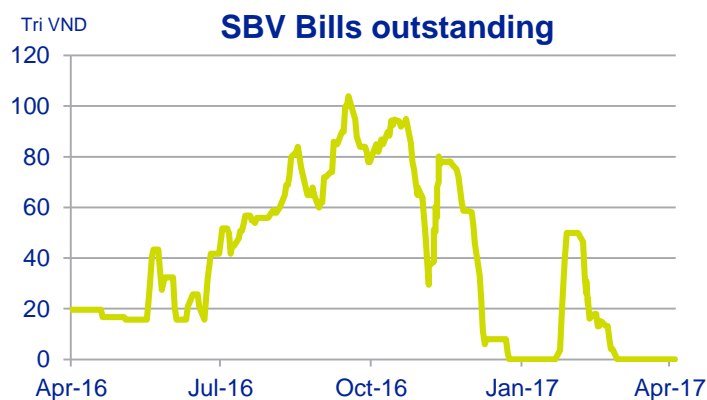
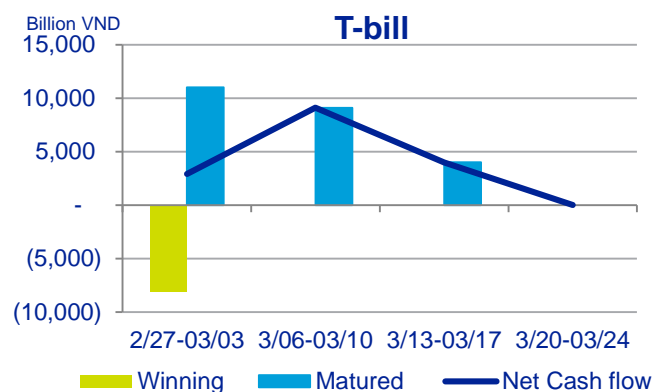
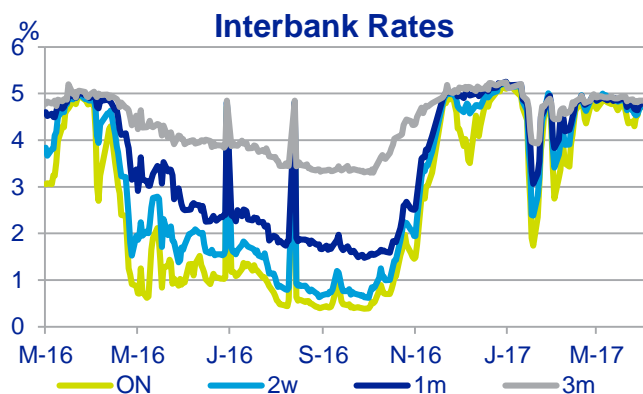


Source: HNX, VBMA, ACBS

Net bond sell off from foreign investors recovered with VND 425bln, significant rise of trading volume on repo transactions. Primary market seems to be rather sluggish lately. Funds have been hording to other investment channels.

Seeing how the Yield curve got slightly flatter, Vietnam appears to remain a decent long term investment. The coming volatilities are pre-anticipated.

## MONEY MARKET

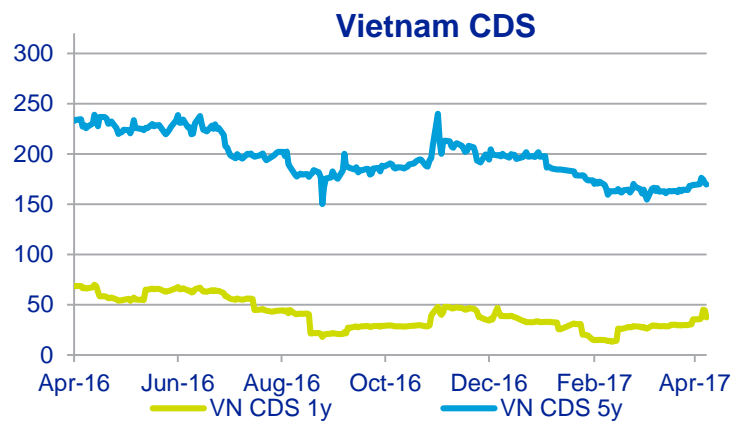
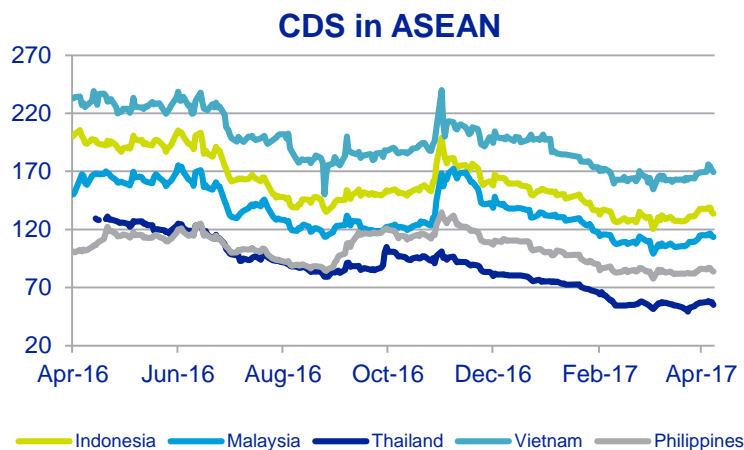


Transaction on OMO market remained stable with almost no changes. Banks are on high demand for extra funds to expand operation without having much of operating liquidity issue. We can expect a decent performance for 2017 coming from the banking sector.

*\*Note: Last year's March and April total OMO issued was VND 86tln, current year up to date figure was VND 196tln.*

## OTHER MARKETS

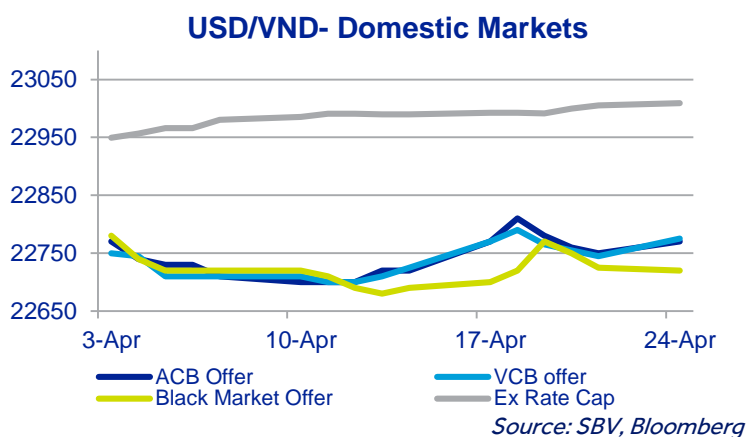
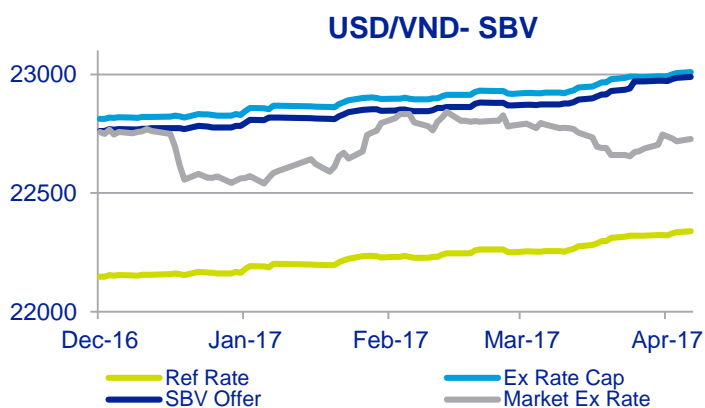
### SOVEREIGN CDS



Source: Bloomberg

CDS slightly increased last week on ASEAN region. The whole region was downgraded slightly.

### FOREX MARKET

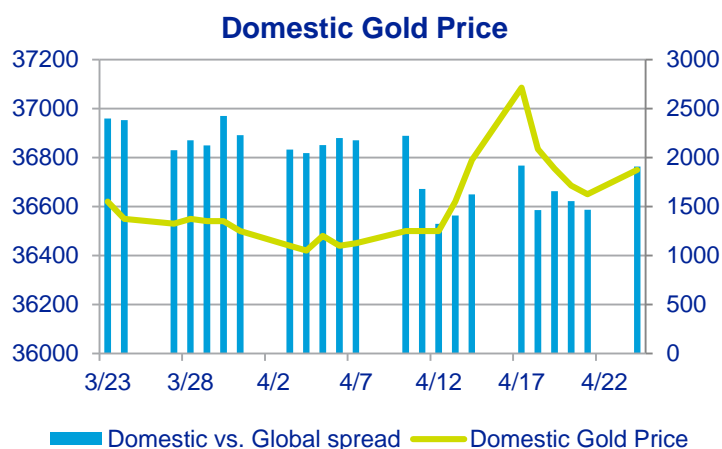
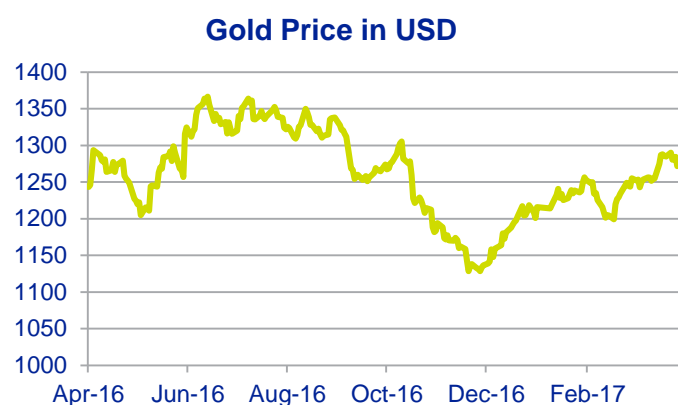


Source: SBV, Bloomberg

with current global outlook, the US dollars depreciated strongly thus making the SBV increased their USD purchase price to VND22,675 (increased by VND 100) to support the market, institutional offer prices for the green note exceeded the free market prices. At the same time, reference rate cap remains relatively high from market price and SBV seems to have purchased more reserves. We are reasonably hedged against foreign exchange rates shocks, if there should be any.

EUR, JPY, USD, CNY are all facing downward pressures, politically.

## GOLD MARKET



Source: Bloomberg, ACB.

Gold, even though devalued from the France's election result, hold a bullish drive as safe havens are currently limited. A hedging position is thus advised.

Second round of France Election, North Korea's actions should be a supportive force for gold price.

## APPENDIX

FX rate	USD		EUR		JPY	
Date	Bid	Ask	Bid	Ask	Bid	Ask
17-Apr-17	22,700	22,770	23,976.60	24,266.28	206.93	210.89
18-Apr-17	22,720	22,790	24,054.92	24,342.48	206.05	209.99
19-Apr-17	22,695	22,765	24,184.19	24,479.32	205.79	209.72
20-Apr-17	22,685	22,755	24,226.86	24,516.51	205.92	209.85
21-Apr-17	22,675	22,745	24,165.79	24,454.72	204.70	208.62
24-Apr-17	22,705	22,775	24,541.62	24,835.02	203.60	207.50

Source: Vietcombank

Deposit Interest Rate	2 weeks	1 month	3 months	6 months	1 year	2 years
03/28/2017	1%	4.90%	5.10%	5.60%	6.30%	6.60%

Source: ACB

## CONTACTS

### Ho Chi Minh City Head Office

41, Mac Dinh Chi, Dist. 1, Ho Chi Minh City  
Tel: (+84 8) 3823 4159  
Fax: (+84 8) 3823 5060

### Hanoi Office

10 Phan Chu Trinh, HoanKiem Dist., Ha Noi  
Tel: (+84 4) 3942 9395  
Fax: (+84 4) 3942 9407

## RESEARCH DEPARTMENT

### Manager – Industry Coverage

#### Uyen Nguyen

(+84 8) 3823 4159 (x303)  
[uyennp@acbs.com.vn](mailto:uyennp@acbs.com.vn)

#### Associate– Property Truc Pham

(+84 8) 3823 4159 (x303)  
[trucptt@acbs.com.vn](mailto:trucptt@acbs.com.vn)

#### Associate – Consumer- related, Technology, Seafood

**Chi Luong**  
(+84 8) 3823 4159 (x327)  
[chiltk@acbs.com.vn](mailto:chiltk@acbs.com.vn)

#### Associate – Industrial, Logistics, Agri, Power

**Yen Tran**  
(+84 8) 3823 4159 (x326)  
[yentran@acbs.com.vn](mailto:yentran@acbs.com.vn)

#### Analyst – Oil & Gas Hung Phan

(+84 8) 3823 4159 (x354)  
[hungpv@acbs.com.vn](mailto:hungpv@acbs.com.vn)

#### Analyst – Property, Plastic, ETF

**Hung Vu**  
(+84 8) 3823 4159 (x323)  
[hungvq@acbs.com.vn](mailto:hungvq@acbs.com.vn)

#### Analyst – Consumer- related, Technology

**Trung Tran**  
(+84 8) 3823 4159 (x351)  
[trungtn@acbs.com.vn](mailto:trungtn@acbs.com.vn)

#### Analyst – Industrial, Steel, Sugar

**Cuong Nguyen**  
(+84 8) 3823 4159 (x250)  
[cuongnt@acbs.com.vn](mailto:cuongnt@acbs.com.vn)

#### Analyst – Macro Vi Phuc Tran

(+84 8) 3823 4159 (x250)  
[phuctv@acbs.com.vn](mailto:phuctv@acbs.com.vn)

#### Analyst– Property, Construction

**Hung Cao**  
(+84 8) 38234159 (x250)  
[hungcv@acbs.com.vn](mailto:hungcv@acbs.com.vn)

## INSTITUTIONAL CLIENT DIVISION

### Director - Head of Institutional Client

#### Tyler Cheung

(+84 8) 54 043 070  
[tyler@acbs.com.vn](mailto:tyler@acbs.com.vn)

#### Senior Associate Institutional Client

**Hung Dang**  
(+84 8) 3823 4798  
[hungdm@acbs.com.vn](mailto:hungdm@acbs.com.vn)

#### Senior Associate Institutional Client

**Diep Phan**  
(+84 8) 3823 4159 (x307)  
[diepph@acbs.com.vn](mailto:diepph@acbs.com.vn)

#### Manager - Trading Hanh Huynh

(+84 8) 5404 6632  
[hanhhtm@acbs.com.vn](mailto:hanhhtm@acbs.com.vn)

#### Trader Hang Nguyen

(+84-8) 38234160  
[hangnx@acbs.com.vn](mailto:hangnx@acbs.com.vn)

#### Trader Thanh Tran

(+84-8) 54046626  
[thanhtt@acbs.com.vn](mailto:thanhtt@acbs.com.vn)

#### Trader Manh Tran

(+84-8) 54046630  
[manhtt@acbs.com.vn](mailto:manhtt@acbs.com.vn)



## DISCLAIMER

### Analyst Certification(s)

We, the author(s) of this report, hereby certify (1) that the views expressed in this research report accurately reflect our personal views about any or all of the subject securities or issuers referred to in this research report and (2) no part of our compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed in this research report.

### Important Disclosures

ACBS and/or an affiliate thereof (hereby collectively called ACBS) did or may seek to do business with companies covered in this report as its routine business. ACBS's proprietary trading accounts may have a position in such companies' securities. As a result, the investor should be aware that ACBS may have a conflict of interest from time to time.

ACBS produces a variety of research products including, but not limited to, fundamental analysis, equity-linked analysis, quantitative analysis, and trade ideas. Recommendations contained in one type of research product may differ from recommendations contained in other types of research products, whether as a result of differing time horizons, methodologies, or otherwise.

### Disclaimer

This report is provided for information purposes only. ACBS makes no express or implied warranties, and expressly disclaims all warranties of merchantability or fitness for a particular purpose or use with respect to any data included in this report. ACBS will not treat unauthorized recipients of this report as its clients. Prices shown (if any) are indicative and ACBS is not offering to buy or sell or soliciting offers to buy or sell any financial instrument. **Without limiting any of the foregoing and to the extent permitted by law, in no event shall ACBS, nor any affiliate, nor any of their respective officers, directors, partners, or employees have any liability for (a) any special, punitive, indirect, or consequential damages; or (b) any lost profits, lost revenue, loss of anticipated savings or loss of opportunity or other financial loss, even if notified of the possibility of such damages, arising from any use of this report or its contents.** Other than disclosures relating to ACBS, the information contained in this report has been obtained from sources that ACBS believes to be reliable, but ACBS does not represent or warrant that it is accurate or complete. The views in this report are subject to change, and ACBS has no obligation to update its opinions or the information in this report.

**Some parts of this report reflect the assumptions, views and analytical methods of the analysts who prepared them, and ACBS is not responsible for any error of their works and assumptions. ACBS may have issued, and may in the future issue, other reports that are inconsistent with, and reach different conclusions from, the information presented in this report.**

The analyst recommendations in this report reflect solely and exclusively those of the author(s), and such opinions were prepared independently of any other interests, including those of ACBS. This report does not constitute personal investment advice or take into account the individual financial circumstances or objectives of the investors who receive it. The securities discussed herein may not be suitable for all investors. ACBS recommends that investors independently evaluate each issuer, securities or instrument discussed herein and consult any independent advisors they believe necessary. The value of and income from any investment may fluctuate from day to day as a result of changes in relevant economic markets (including changes in market liquidity). The information herein is not intended to predict actual results, which may differ substantially from those reflected. Past performance is not necessarily indicative of future results.

**This report may not be distributed to the public media or used by the public media without prior written consent of ACBS. Otherwise it will be considered as illegal. The breacher shall compensate fully to ACBS any loss or damage which arises from such breach (if any).**

In the event that the distribution and/or receipt of this report is prohibited by the investor's jurisdiction, the investor shall dismiss this report immediately otherwise it will be at his/her own risks.

ACBS does not provide tax advice and nothing contained herein should be construed to be tax advice. Accordingly, the investors should seek advice based on their particular circumstances from an independent tax advisor. This report may contain links to third-party websites. ACBS is not responsible for the content of any third-party website or any linked content contained in a third-party website. Content contained on such third-party websites is not part of this report and is not incorporated by reference into this report. The inclusion of a link in this report does not imply any endorsement by ACBS. Access to any third-party website is at the investor's own risks, and the investor should always review the terms and privacy policies at third-party websites before submitting any personal information to them. ACBS is not responsible for such terms and privacy policies and expressly disclaims any liability for them.

© Copyright ACBS (2017). All rights reserved. No part of this report may be reproduced in any manner without the prior written permission of ACBS.