



Money 360

February 12, 2017

Mr. Vi Phuc Tran

02/06/2017 – 02/10/2017

MARKET OVERVIEW

OPEC Deal stroked a record in production cuts- bigger than promised reduction base on IEA data, driving Brent oil price to \$56.8/ barrel last checked Feb 10th. At a glance it seems like the prospect for oil producers was brighten up. Petroleum stocks can enjoy some gains for the moment.

A bigger than promised production cut might spark some enquiries though. For instance, consider the pre-deal negotiations where almost every member of the OPEC were clinging onto their market shares to the point of nearly compromised the Deal, such beyond expectation cooperation thus lacks of long term credibility. And let's not forget about the States, whose oil producers are not remotely interested in cutting their production to support the market. For now, the Oil market stands and performing moderately, we should try not to get our hopes up for longer terms however.

In Europe, two major topics that needs to be put under scope: Theresa May stated that the UK wants their borders and regulations independent of the EU, whilst maintaining favorable trading activities with the Union in the argument that such scenario would pose the least harm to both economies. If declined, the UK might even consider hardening the positions. In short: "If you don't compromise, we will make it harder for both parties, take my offer or leave it". The PM also expressed her willingness to engage with Donald Trump in the case of a hard relationship with the EU. Rather menacing and risky approach which certainly created tensions upon the already messy Brexit. The EU would start their side of negotiation on the 27th.

In France, Marine Le Pen joins the Presidential Election. The women who was dubbed "The Female Donald Trump" shares the view of protectionism and prioritized homeland's welfare above all else- the same with her US counterpart. If she is to be the next President of France, EU would find themselves closer to existential crisis from the increasing familiarity of protectionism and national referendums.

After losing the appealing court upon the immigration executive order, Trump made a public remark that he would shortly announce another immigration protection as well as proposing a "Phenomenal Taxation Reform". The green note soared higher in speculation for a coming business- favorable Tax Policy.

Also, FED Regulator Dan Tarullo resigned last week, known to be a dovish- inclined member of Fed and a supporter of Dodd- Frank Regulation, the coming votes for interest rate decisions from FED would thus contain more hawkish views. Higher US Dollars is coming, more likely than ever. US bank stocks were the best performers last week on Wall Street accordingly.

China reached the new record low foreign reserves; they also started to regulate crypto currency exchanges last week. Domestic funds are pressing against the wall, trying to get out in common beliefs that the Yuan would eventually lose its value. With coming expected rise in the USD, the Yuan is facing the risk of slumping further. A cheaper Yuan means harder trading competition for regional Asia Countries.

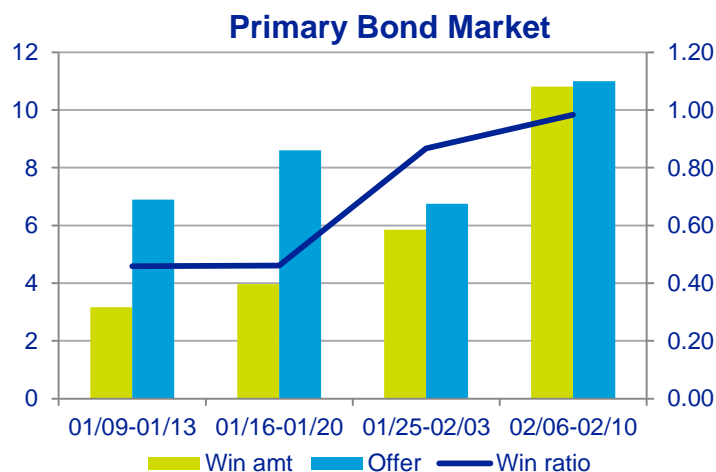
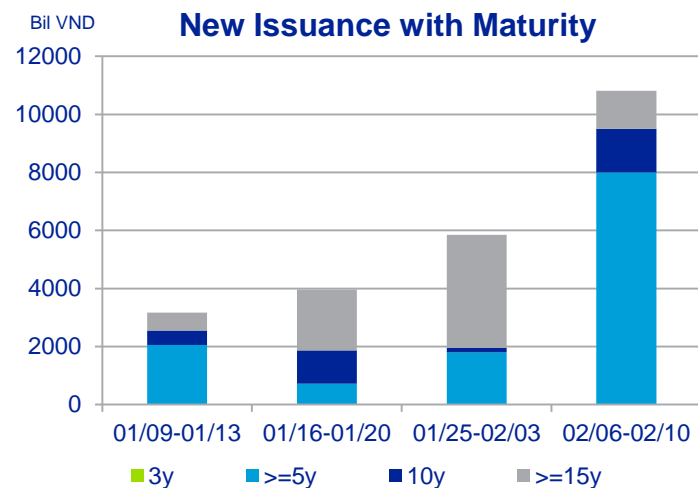
In Vietnam, Bond market recovered strongly after the Tet Holiday VND 10.8tln issued last week (98% absorption rate), strong purchases for VGB 5Y and 7Y tenors. Secondary market also witnessed an astonishingly high amount of Foreign Investor purchases (VND 2.6 tln). A strong decline in shorter term yields also reflects stronger confidence for Vietnam near term growth. The government issued VND 50tln of T-Bills into the financial market last week, fund abundance is clearly visible.

Domestic USD/ VND exchange rate saw a peculiar week with rapid increase sessions such that the SOE banks (VCB) sometimes exceeded private banks (ACB) offer price. SBV's been increasing the reference price in divergence to the green note global devaluation. It is announced that they have been purchasing an extra \$1.5bln to put in national reserves. Consider the current prospect for the US Dollar, this is the reasonable move.

With that, we wish you a successful trading week, stay aware of the White House's next moves

VGB-GGB MARKET

PRIMARY BOND MARKET



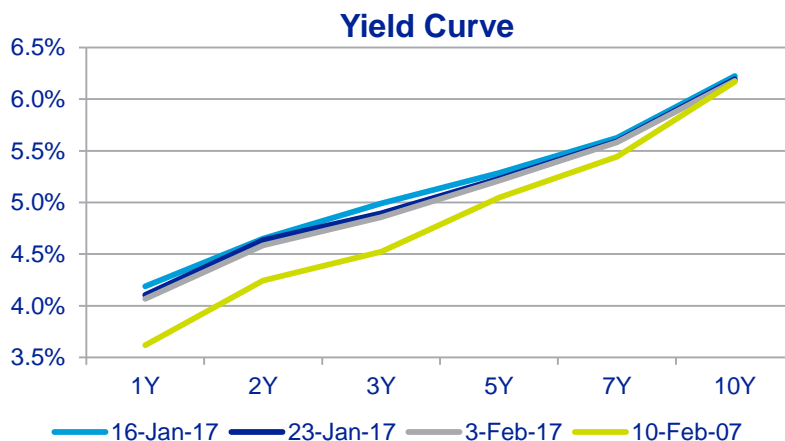
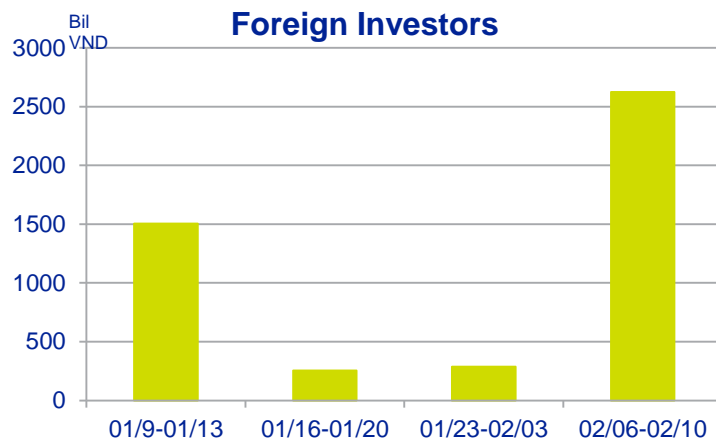
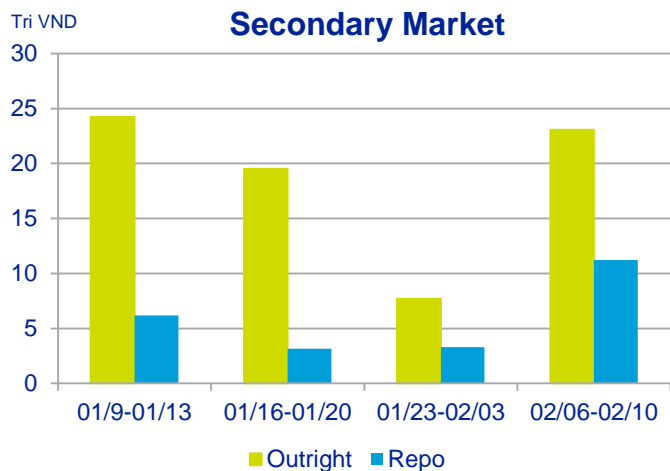
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Bond Issuance Schedule This Week

02/13/2017- 2/17/2017

Issuer	Offer Amount	Issue Date	Maturity	Tenor
State Treasury	1,000,000,000,000	2/16/2017	2/16/2027	10
State Treasury	3,000,000,000,000	2/16/2017	2/16/2022	5
State Treasury	2,000,000,000,000	2/16/2017	1/12/2047	30
The Vietnam Development Bank	1,500,000,000,000	2/14/2017	2/14/2027	10
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The Vietnam Development Bank	500,000,000,000	2/14/2017	2/14/2032	15

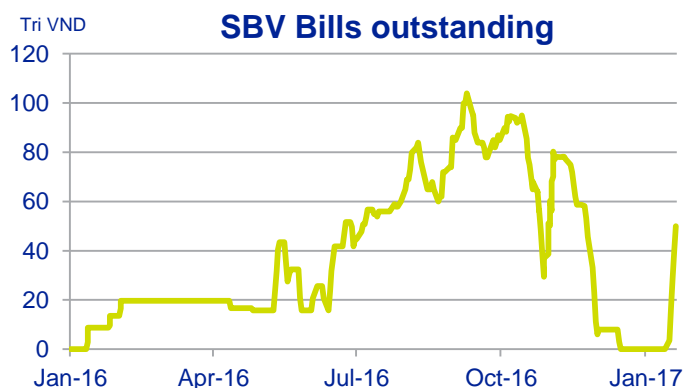
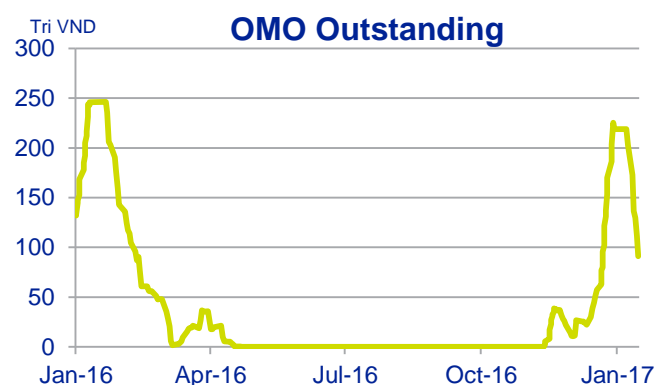
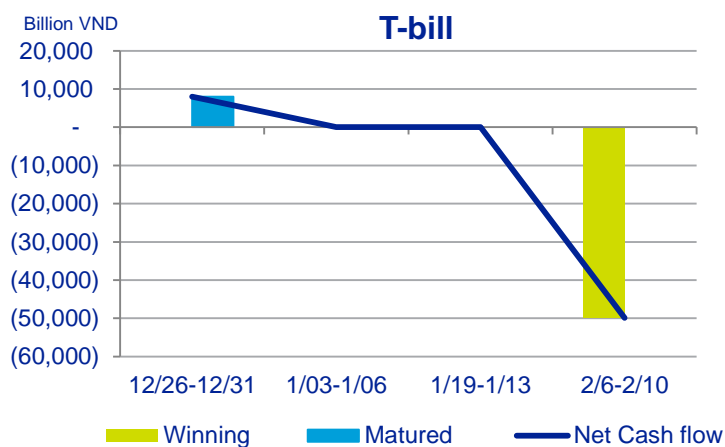
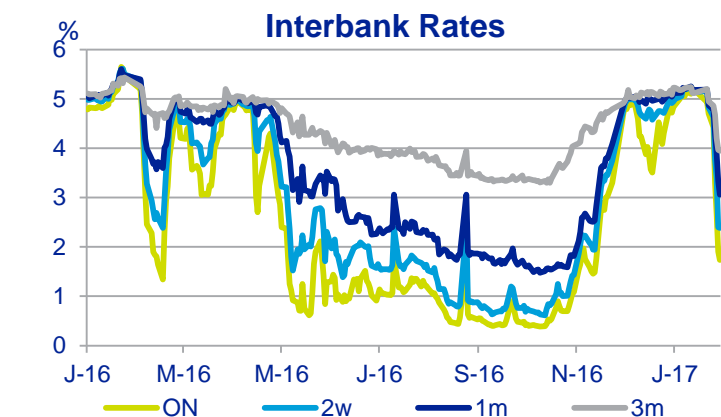
SECONDARY BOND MARKET



Source: HNX, VBMA, ACBS

Secondary market also witnessed an astonishingly high amount of Foreign Investor purchases (VND 2.6 tln). A strong decline in shorter term yields also reflects stronger confidence for Vietnam near term growth

MONEY MARKET



Source: ACBS, Bloomberg

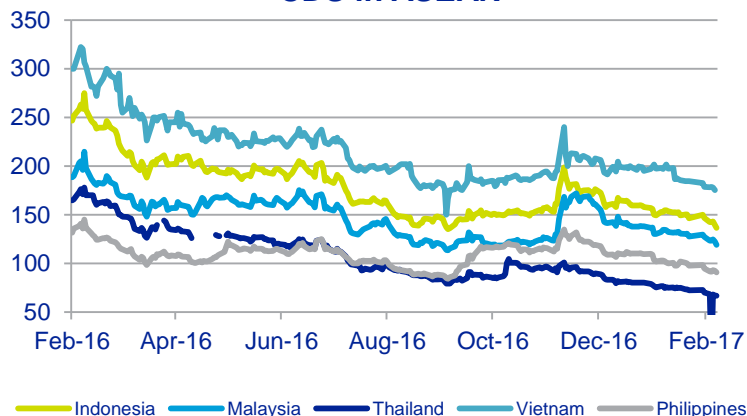
The government issued VND 50tn of T-Bills into the financial market last week, fund abundance is clearly visible.

O/N interbank rates declined rather rapidly to 1.74% from 4.7% previous week.

OTHER MARKETS

SOVEREIGN CDS

CDS in ASEAN



Vietnam CDS

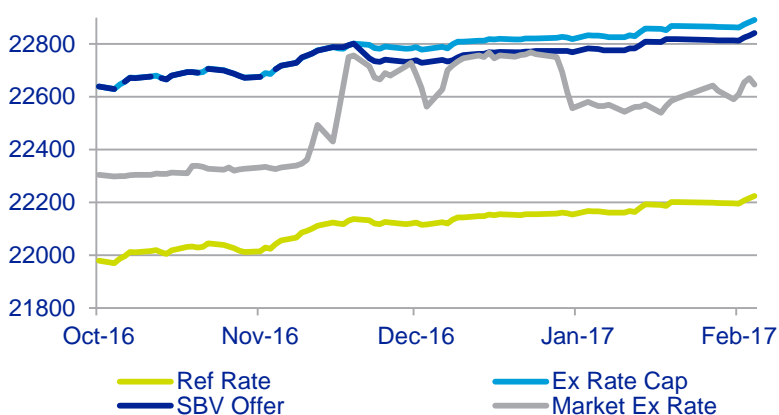


Source: Bloomberg

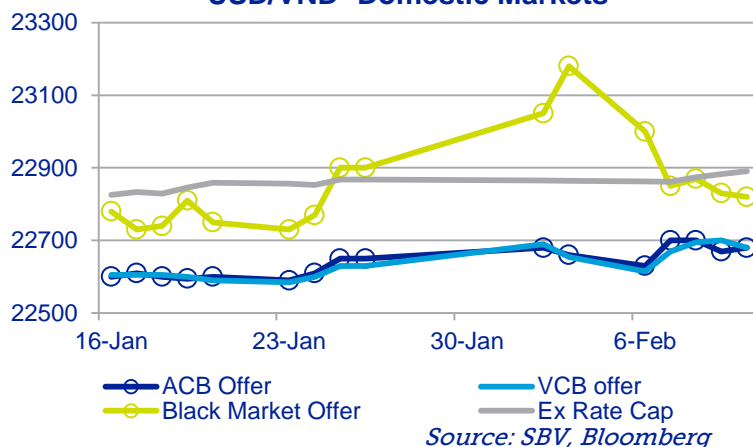
Improving CDS in the region and specifically in Vietnam, mostly because Donald Trump has been showing out his unusual presidency, which alarms the global investors to yearn for safer economies.

FOREX MARKET

USD/VND- SBV



USD/VND- Domestic Markets



Source: SBV, Bloomberg

FED Regulator Dan Tarullo resigned last week, known to be a dovish- inclined member of Fed and a supporter of Dodd- Frank Regulation, the coming votes for interest rate decisions from FED would thus contain more hawkish views. Higher US Dollars is coming, more likely than ever. US bank stocks were the best performers last week on Wall Street accordingly.

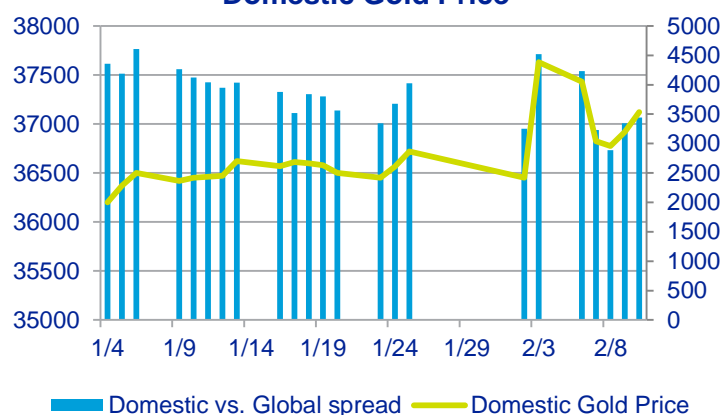
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GOLD MARKET

Gold Price in USD



Domestic Gold Price



Source: Bloomberg, ACB.

As ever, gold is the safe haven for investors and there're always be demands for it, hovering around \$1,232/ ounce last Friday, I presume it would be trading up to \$1250/ ounce before Donald Trump reveal his "phenomenal tax reform". Those who bought gold domestically last week would see themselves overpaid their new year lucky gold.

APPENDIX

FX rate	USD		EUR		JPY	
Date	Bid	Ask	Bid	Ask	Bid	Ask
2/6/17	22,545	22,615	24,139.75	24,428.48	197.66	201.44
2/7/17	22,600	22,670	23,937.68	24,223.96	198.81	202.61
2/8/17	22,625	22,695	23,995.77	24,282.70	198.86	202.66
2/9/17	22,630	22,700	24,008.47	24,295.56	199.03	202.83
2/10/17	22,610	22,680	23,982.13	24,268.91	196.54	200.30
2/6/17	22,545	22,615	24,139.75	24,428.48	197.66	201.44

Source: Vietcombank

Deposit Interest Rate	2 weeks	1 month	3 months	6 months	1 year	2 years
10/7/2016	1%	4.60%	5.0%	5.60%	6.20%	6.50%

Source: ACB

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