

WEEKLY NEWSLETTER

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

SHF

By:

Nguyen Viet Duc

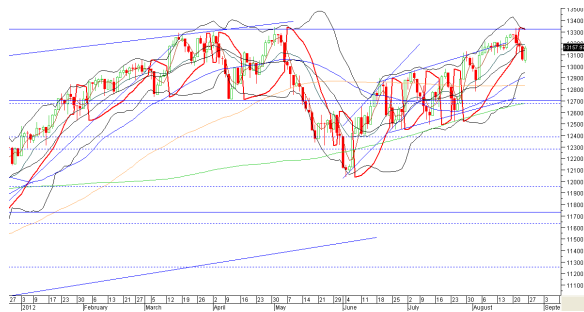
(Director of Research)

Stock market

U.S:

Interpretation of Fed FOMC meeting on the probability of Q.E.3 dominated headlines and stock market last week. What can be concluded is Fed opened the chance for further easing, but Bank of America analysts warned for a surprise that Fed will not announce further easing this September and they may wait until December the soonest. This may be due to the improvement in macro economy since the last meeting. For last week, existing home sales, new home sales, durable good orders were all positive, with jobless claim improving slowly. However, the movements of all investment channels, in particular gold, EUR and JPY suggesting investors believe Fed will move soon.

Dow Jones barely touched the high of the year but fell later as selling pressure increased. The current state of Dow Jones does not suggest and clear direction.



Dow Jones as 8/24/2012: Some worries after failed test of this year high

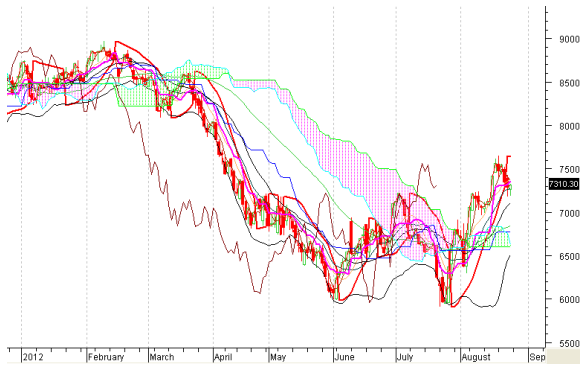
Vix, on other hand, seemed to set up for a rally, which is in general bad for stocks. As we have said before, VIX calming period often precede a strong jump in volatility so caution is recommended for the stock holders.



Is VIX setting up for a rally?

PMI reports and the health of the world economy:

The PMI flashes are no fun, with deteriorating situation around the world from China to Europe to US. This set up for further stimulus. China has announced a 7000 Reminbi stimulus package, while ECB may be clearer about its actions to save Spain and the Euro. The IBEX of Spain climbed strongly with hope of a rescue, Spanish 10 year bond move around 6.5%, which is still high but lower than the dangerous threefold of 7%.



IBEX has strong bottom and continues its rally

China PMI is a dismal as it fell harder after slowing down last month. No wonder China would be focusing on stimulating the economy, this time with target on new technologies.

Investors still are not convinced by these moves, and Shanghai stock index by this time is falling hard to the 2000 psychological support level.



Shanghai index as of 8/24/2012

Gold

Gold climbed strongly as investors look for gold as investment choice with hope of weaker dollars after upcoming quantitative easing.

Gold has touched the resistance level of its flag pattern and if it break out of the 1700 level, gold

can test the next high of 1800 in just a few days.



Gold as of 08/24/2012

Other channels

EUR lower after ECB announcement

EUR is still going up but the rally faced a resistance at the 1.26 level. This may be just a technical reaction.



EUR has near term support at 1.2 and a near term resistance at 1.26

US dollar also goes lower relative to JPY as hope of easing rises. It seems US dollar is

forming the next downtrend move after stabilizing for a while.



USD rebound ended, another downtrend is coming the way

Stock market comment

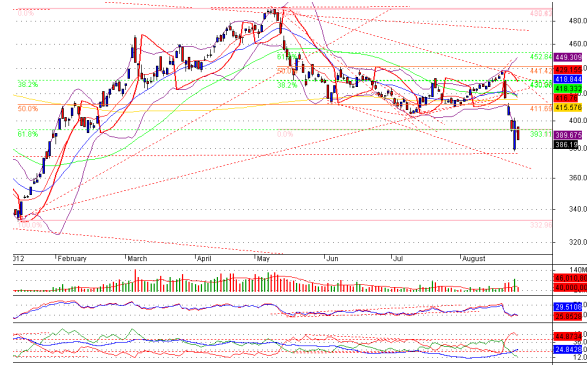
The calmness of the first half of August preceded a very rough last week as domestic investors sold off their stocks in looking for safer havens.

Technically, the market has entered a new short term down trend from 440 and has even broken Fibonacci 61.8% of this year rally. That means stocks have the possibility to go all the way down to retest 340 (Vnindex) and 55 (Hnxindex), where we expect the bottom will be formed. In the near term, we expect 60 and 360-380 will serve as good support for Hnxindex and Vnindex.

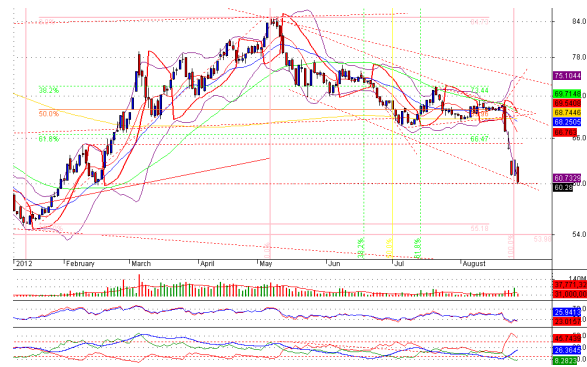
Till now, the leg down has just started and we do not expect it to be over in a month, with rough estimate being 3 months.

Strategy:

We have closed our positions on stocks and exit. With the current situation, it's better for investors to wait for a bottom to be formed before buying stocks again.



Vnindex as of 08/27/2012: Vnindex lost this year rally. We think that 360-380 will serve as support zone in the short term but catching bottom is not recommended at least till the volatility goes down.



Hnxindex is falling hard but 60 may serve as a good support level in the short term..



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