

FX: US\$1 = VND17,484 (April 01, 2008)

**VN-Index** closed at 287.41 points, up 20.79 points (7.80%) from last week.

**VN Index in March**

Week	Index	Change	%
1	245.70	-0.04	-0.02
2	251.44	5.74	2.34
3	266.62	15.18	6.04
4	287.41	20.79	7.80

Source: Saigon Securities Inc.

**MARKET MOVERS**

**Top 5 biggest trading volume**

No	Stock	Trading Volume (Shares)
1	STB	16,541,940
2	SSI	8,288,340
3	DPM	6,938,050
4	VIC	5,970,610
5	SAM	5,927,470

Source: Saigon Securities Inc.

**Top 5 biggest trading value**

No	Stock	Trading Value (Buy-Sell)
1	STB	280,460
2	SSI	222,702
3	DPM	220,367
4	VIC	200,893
5	HPG	163,050

Source: Saigon Securities Inc.

**Vietnam, Qatar to set up US\$1 billion joint investment fund**

Prime Minister Nguyen Tan Dung and his Qatar counterpart Hamad bin Jasim bin Jabir al-Thani have agreed to establish an energy and food partnership as well as a mutual interest joint investment fund worth US\$1 billion.

The agreement was reached during talks held in Doha Sunday as part of Prime Minister Dung's four-day official visit to Qatar.

The two prime ministers also discussed measures to boost cooperation in labor and trade to bolster their investment and financial relations.

They pledged to ask their respective foreign ministries to hasten negotiations on visa exemption for diplomats and official passport holders, and to sign a treaty to this effect soon..

Al-Thani committed to recognizing Vietnam as a full market economy, and said his country will soon open a diplomatic representative office in Hanoi.

The talks were followed by the signing of treaties on avoidance of double taxation, encouraging investment and protection, cooperation in air-cargo transportation, and agreements on agriculture cooperation and investment promotion.

Dung's visit is the first ever to Qatar by a Vietnamese prime minister since the two countries established diplomatic ties in February 1993. (VNA, March 2009)

**Export rise helps secure Q1 trade surplus**

The trade balance swung into surplus in the first quarter as the country managed to post an increase in exports amid the global recession.

The country reported a trade surplus of US\$1.65 billion (see box), compared with a deficit of \$8.35 billion in the same three-month period a year earlier, the General Statistics Office said in Hanoi Tuesday. Exports rose 2 percent to \$13.48 billion, while imports tumbled 45 percent to \$11.83 billion.

The trade surplus is a reversal from last year, when a widening deficit sparked concerns the currency would weaken. Steady garments shipments and surging rice sales, aided by cheaper prices compared to Thailand's, are countering declining footwear and furniture exports.

"The bulk of Vietnam's exports are low-end," said Peter Ryder, Hanoi-based chief executive of Indochina Capital Corp. "That helps cushion exports from a sharp fall."

Exports have also been given a boost by shipments of precious stones and metals, which surged to \$2.29 billion from negligible levels a year ago.

Much of the gold is "coming out from under mattresses, as part of a \$9- 10 billion hoard – mostly unregistered – that is thought to have accumulated in the country over the years," Ho Chi Minh City-based fund managers Dragon Capital said in a note this month to investors.

(Bloomberg, March 2009)

### Top price gainers

HOSE		HaSTC	
Stock	% price change	Stock	% price change
TRC	26.67	SDJ	32.00
DPR	26.59	HPS	26.03
HRC	26.15	VCC	24.47
TNC	23.61	TKU	20.00
SFC	22.89	PJC	17.65

Source: Saigon Securities Inc.

### Daily trading volume of foreign investors

HOSE	Difference in Trading Volume (Buy-Sell)	Difference in Trading Value (Buy-Sell)
Mar 23	876,020	23,736,734
Mar24	1,563,310	64,978,392
Mar25	3,980,760	110,081,335
Mar26	2,615,910	76,336,441
Mar27	1,119,970	30,369,144

Source: Saigon Securities Inc.

### Time to invest in Vietnam, tip business leaders

Business leaders have said investors should look beyond current difficulties to take advantage of the lower cost of investment in Vietnam.

Speaking at a meeting of international chief executive officers in Ho Chi Minh City last week, one of the business leaders, Stuart Dean, President of General Electrics ASEAN, said, "If you are a long-term investor, it would be a good time now to invest in Vietnam." Minister of Industry and Trade Vu Huy Hoang said prices of construction materials have fallen by 30 percent from a year ago. Easier and cheaper access to bank loans is another plus for investors, he said. Vietnam expects to attract foreign investment worth US\$20-25 billion this year, less than half of last year's \$64 billion as the global financial crisis bites. Phan Huu Thang, director of the Foreign Investment Agency, said, however, there is no sign of the massive capital outflow that happened during the 1997 crisis. Foreign investors have committed \$5.3 billion in the first two months of 2009, \$1.5 billion of it in new projects, he said. Business executives called on the government to streamline investment regulations, which they said remain vague and overlap. A representative of Kirby Company, a subsidiary of Kuwait-based Alghanim Industries Group, said the government should provide up-to-date information about policies and regulations. Many regulations are ambiguous and different authorities can interpret them in different ways, he said. (VNA, March 2009)

### Vietnam Widens Dong/Dollar Trading Band to Boost Exports

The Vietnamese dong fell the most in three months after the central bank widened the currency's trading band for the first time since November, seeking a weaker currency to boost exports.

The central bank said the currency is allowed to trade 5% on either side of that fixed rate from March 23, compared with 3% previously. The government is trying to bolster exports after the economy expanded 6.2% last year, the slowest pace since 1999. The widening will allow "exchange rates that are closer to supply and demand," the State Bank of Vietnam's Governor Nguyen Van Giau said in a statement posted on the central bank's Web site yesterday. The regulator on Dec. 25 devalued the dong 3% by fixing its reference rate weaker. The World Bank and the International Monetary Fund forecast Vietnam's 2009 growth will be 5.5% and 4.8%, respectively. (VNBusinessNews, March 23, 2009)

### Top BUY by foreign investors

HOSE		HaSTC	
Stock	Trading Volume (Shares)	Stock	Trading Volume (Shares)
HPG	1,514,930	PVI	329,200
PPC	949,870	VNR	160,000
VSH	913,760	KLS	57,100
PVF	863,160	NTP	49,100
FPT	813,410	KBC	47,500

Source: Saigon Securities Inc.

### Top SELL by foreign investors

HOSE		HaSTC	
Stock	Trading Volume (Shares)	Stock	Trading Volume (Shares)
DRC	-1,030,980	BVS	-1,059,200
STB	-912,700	VCG	-177,900
TTF	-585,120	PVS	-175,500
BCI	-490,600	BTS	-64,900
DTT	-120,250	TC6	-39,900

Source: Saigon Securities Inc.

### **Inflation slows to 16-month low of 11.3 percent**

Inflation slowed to a 16-month low in March, giving the government more scope to focus on bolstering growth amid the global recession. Consumer prices rose 11.3 percent from a year earlier after gaining 14.8 percent in February, according to figures from the General Statistics Office in Hanoi. On a monthly basis, prices fell 0.17 percent in March from February.

The statistics office said falling prices of food and transportation contributed to slowing inflation.

Overall food and beverage prices decreased by 0.46 percent over last month, but prices of grain, including rice, were up 1.27 percent. Prices in the category including housing and construction materials increased 0.3 percent in the past month, while the transport and postal services category fell by 0.55 percent.

Some economists said consumption has not fully recovered despite the measures taken by the government to spur the economy and boost consumption.

"The biggest challenge for Vietnam now by far is to support growth," said Spencer White, director of Thien Viet Securities in Ho Chi Minh City. "Any worries about inflation have been relegated a long way down the priority list."

Inflation in Vietnam, which soared to 28.3 percent in August – the highest in at least 16 years – is slowing as a worldwide economic slump damps food and energy costs. Standard Chartered Plc. said this month that Vietnamese inflation is "no longer a worry" and that the pace of price gains is likely to ease further in coming months.

The Vietnamese central bank has cut its benchmark interest rate to 7 percent from 14 percent in October. Last year, credit growth slowed to 25 percent from 54 percent in 2007, based on International Monetary Fund figures.

Estimates of economic growth for this year range from the government's 6.5 percent target to a 2 percent prediction from Credit Suisse Group AG. The IMF this month cut its forecast to 4.8 percent from 5 percent, while the World Bank reduced its figure to 5.5 percent from 6.5 percent.

(Bloomberg, March 2009)

### MARKET NEWS

#### Monetary and Currency Market on April1, 2009

The inter-bank US/VND exchange rate: VND 17,484/US\$1

Foreign exchange rates:

Sym	Currency	Bid
AUD	Australian Dollar	11,084
CAD	Canadian Dollar	14,149
EUR	Euro	22,067
GBP	Great British Pound	24,120
HKD	Hong Kong Dollar	2,080
JPY	Japanese Yen	176
SGD	Singapore Dollar	10,572
USD	US dollar	17,484

Source: Saigon Securities Inc.

### **Vietnam needs to 'accelerate' infrastructure projects: ADB**

Vietnam needs to prioritize and "accelerate" its infrastructure projects, as it has ambitious plans to build power plants, ports, roads and railways in a period when financial resources are squeezed globally, ADB said.

Even with a global credit crunch and recession in many countries, there is money available to Vietnam from governments, international agencies and the private sector, said Ayumi Konishi, the Asian Development Bank's country director in Hanoi.

Vietnam "cannot do everything on its own and at once," Konishi said, noting that foreign companies would be deterred if they have to deal with power outages and transport bottlenecks.

Government officials have said about US\$6 billion of stimulus spending will be budgeted this year, without specifying how it will be allocated or how much may have been in previous plans. The economy expanded 6.2 percent last year, the least in nine years, as consumers in the US, Japan and Europe reigned in spending.

Vietnam, a nation of 86 million with an \$85 billion economy, last month unveiled a plan to build a 1,555-kilometer high-speed rail from Hanoi, its capital, south to the economic hub of Ho Chi Minh City. That project would cost \$55.8 billion, according to Nguyen Huu Bang, chairman and chief executive officer of state-owned Vietnam Railways.

"The high-speed rail is crucial for Vietnam," Bang said at the Asia Pacific Rail 2009 conference in Hanoi last week. The railway would have two stages completed by 2019 and the final two in 2035, he said.

When complete, travel time between Hanoi and HCMC will be about five-and-a-half hours, from 36 hours now, Bang said. Vietnam would consider technologies used in Japan's Shinkansen, Germany's Inter-City, and France's TGV rail system, he said.

(Bloomberg, March 2009)

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