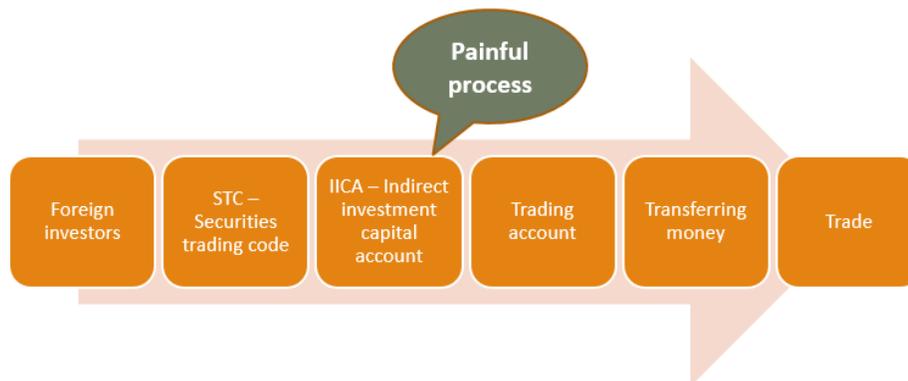


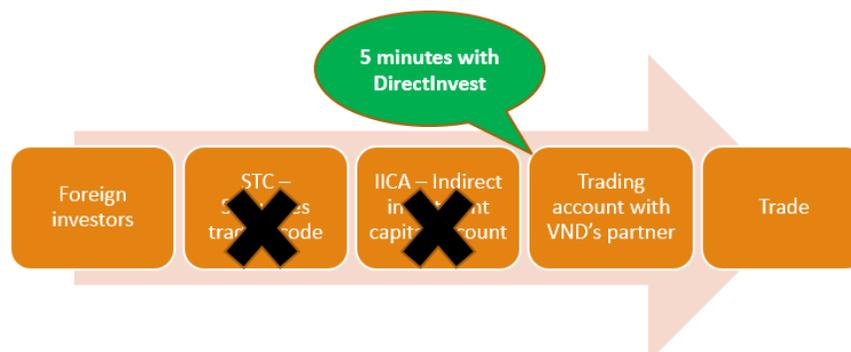
VND INTRODUCED A NEW GATEWAY TO VIETNAM

Vietnam is currently a highly attractive market for global investors, as we recently presented in our [Navigator report](#) for our regional clients. There has recently been an even stronger rise in demand for investment in Vietnam, especially from individual clients. However, it's not easy to set up a trading account in Vietnam. Foreign investors have to apply for a STC (securities trading code), and an IICA (indirect investment capital account), which is a painful process. If a fund has US\$ millions in AUM, it's easy for them to pay for legal advisors to complete their documents. On the other hand, it is not easy for retail customers to do all of the paperwork to comply with Vietnamese regulations.

As the world is becoming more globalized, as seen with increased digital transactions, business 4.0, and internet of things, it becomes increasingly important to grant direct access to the market for investors. The market information barrier is becoming lower thanks to all the data services and research agents. Understanding this, VNDIRECT developed a solution called **DirectInvest** to allow foreign investors to trade directly with the assistance of one of VNDIRECT's Partners.



Normal Process – could take up to 1 month



DirectInvest Process – only takes 5 minutes

The key advantage features of DirectInvest includes:

- Fast account opening: An account can be opened in 5 minutes, if the client already has the account with our partners.
- Fast & low fund transferring costs: The transferring time and costs are significantly low.
- No minimum order size: Clients could buy 10 or 100 shares (based on the exchange).
- No custodian fee: Only small fee paid to VSD, as required by the regulator.
- No documents required for foreign exchange: VND and partners will take care of all documents.
- Online trading: Clients could trade directly using our web platform or mobile phone app (iOS and Android).
- Access to research: Clients could receive support and access to our research analysts and databases.

The first market that VNDIRECT launched DirectInvest in was Thailand. **VNDIRECT and Finansia Syrus** have announced the successful launching of the first online trading solution for the Thai market. On 29th Jan 2018, VNDIRECT and Finansia Syrus signed a partnership for cooperation. We expect the solution could significantly increase investments from Thailand to Vietnam. Retail investors are very active in Thailand and they have been looking for such a solution for a long time. For a low case scenario, VND expects at least 1,000 new accounts with an average NAV of around US\$100,000 in 2018. Both VND and FSS are confident about this target.

VND is also currently looking for partners in other markets like China, Hongkong, Taiwan and Japan. Below is a recent article from the Bangkok Post, which mentions how we have partnered with Finansia Syrus Securities.

From The Bangkok Post

Thais given direct line to Vietnam ([link](#))

Finansia Syrus Securities has partnered with VN Direct Securities, Vietnam's top online brokerage firm, to allow Thai investors to directly invest in Vietnamese securities via an online trading platform.

Chief executive Chuangchai Nawongs said the company is the only domestic brokerage firm providing direct online equities trading on the Hanoi Stock Exchange and the Ho Chi Minh Stock Exchange.

The partnership allows customers to conduct trade and securities transactions by themselves, as opposed to making a call to place an order, said Mr Chuangchai.

Investors can monitor their investment portfolios in real-time through a smartphone application or when browsing the internet.

The move will encourage customers to become more active as Vietnam is viewed as having high growth potential, with GDP expected to expand 7% annually over the next three years, he said.

The Vietnamese stock markets also generate high investment returns, registering a 48% return in 2017, 14.8% in 2016, and 6.12% in 2015, said Mr Chuangchai.

Finansia Syrus Securities is ranked second in terms of domestic online trading, with market share of 5-6%, he said.

"We are working on a business strategy to drive our company to become the [leading digital securities company] this year," said Mr Chuangchai.

The company has 60,000 retail investor and internet trading accounts, making up 60% of its total trading volume.

More than 1,000 accounts are associated with overseas securities trading. The company aims to achieve

100% growth this year, on the back of good customer response to the online platform, said Mr Chuangchai.

The minimum payment is capped at 100,000 baht for customers interested in opening an investment portfolio related to overseas securities trading. For trading of Vietnamese securities through VNtrade service, a commission fee of 0.4% is applied along with value-added tax for both purchase and sales transactions.

VN Direct Securities chief executive Nguyen Hoang Giang said the Vietnamese stock markets are mainly driven by retail investors, accounting for 75% of average daily trading volume of US\$300-400 million (9.43-12.6 billion baht).

Some 98% of retail investors are trading online, said Mr Nguyen.



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