- **SVC – Outstanding performance expectation thanks to automobile retail and real estate segment**
- **Tightened capital flows, money goes to Mid-caps and Small-caps**

SVC – Outstanding performance expectation thanks to automobile retail and real estate segment

Automotive retail: Higher demand boosts optimistic earning results

Until August 2015, total passenger car consumption reached 80,388 units, up 43% yoy. With 88% of revenue coming from automobile retail, this figure gave SVC a positive result in Q3/2015.

As VAMA statistics, 2 main brand of SVC distribution (Toyota, Ford) grew respectively 33% and 49% in sales. Other brands as Suzuki, SYM, GM also grew 30-64% yoy. In near future, the information relating to a Toyota selling price increase of 4% raised a concern of orders in the end of 2015. However, this segment as our estimation continuously remains positive growth because (1) the selling price adjustment in some Toyota range may not effect too much on a number of orders due to insignificant absolute increase (up VND25-55 million) (2) strong demand for passenger cars in Vietnam since total car per passenger in Vietnam is only 33/1000, lower than other regional countries. Based on our estimation, total sale volume of SVC could reach **14,629** cars (increase nearly 15% y-o-y). Thus, revenue from auto retail segment could be about **VND 8,132 bn.**

Table: Estimated market share and sale volume of SVC in 2015

No	Distributed brands	Estimated market shares hold by SVC	Estimated sale volume in 2015	% change (y-o-y)
01	Toyota	19%	8,933	+9%
02	Ford	24%	4,208	+8%
03	GM	7%	438	+24%
04	Suzuki	12%	613	+13%
05	SYM	28%	111	+57%
06	Vinamotor	10%	326	+18%

Source: RongViet Research

"Tightened capital flows, money goes to Mid-caps and Small-caps"

Van Banh

+ 84 8 6299 2006 | Ext: 1316

Van.btt@vdsc.com.vn

Thien Bui

+ 84 8 6299 2006 | Ext: 1321

Thien.bv@vdsc.com.vn

Real estate business: Profit from project transfers in 3Q2015

There are two real estate projects of SVC that is likely to be booked in 3Q2015 (1) Highrise Condo 13 (2) Savico Plaza Ho Tung Mau. As our estimate, net income from the above projects should be approximately VND30-40 billion

Table: SVC Real Estate Projects

NO	Projects	Address	Ownership	Area	Project stage
01	Highrise Condo 13	Thu Duc District, Ho Chi Minh city	25%	3,023 m2	SVC could recognize a loss in 3Q2015
02	SAVICO PLAZA HTM	115-117 Ho Tung Mau Str., District 1, HCM	100%	9,028.3m2	SVC could recognize a profit in 3Q2015
03	Mercure	Son Tra, Da Nang	100%	57,650 m2	In the progress of looking for business partners
04	Offfice Building 66-68 NKKN	66-68 Nam Ky Khoi Nghia Str., District 1, HCM	100%	582 m2	Begin to construct in 1Q2015

05	Office buiding 277-279 Ly Tu Trong	277-279 Ly Tu Trong Str., District 1, HCM	100%	476 m2	High chance to complete construction before 1Q2015
06	Villas Long Hoa- Can Gio	Can Gio	50%	N/a	Land use tax paid

Source: RongViet Research

As detailed analysis, we believe that in spite of July 2015 moon phases calendar, business results in 3Q2015 of SVC are forecasted to be positive thanks to (1) high demand in automobile (2) profits from the transfer of the two real estate projects. According to 9M accumulating data, SVC is likely to gain revenue and PAT (before adjusting for minority shareholders) at VND6,531 billion and VND113 billion. With the bright prospect of auto market and the property transferring possibility, revenue and PAT (after adjusting benefit for minority shareholders) in 2015 are at VND8,835 billion and VND85.7 billion, equivalent to EPS of **VND3,429**. A detailed analysis on SVC reasonable price would be updated in the upcoming brief note.

Tightened capital flows, money goes to Mid-caps and Small-caps

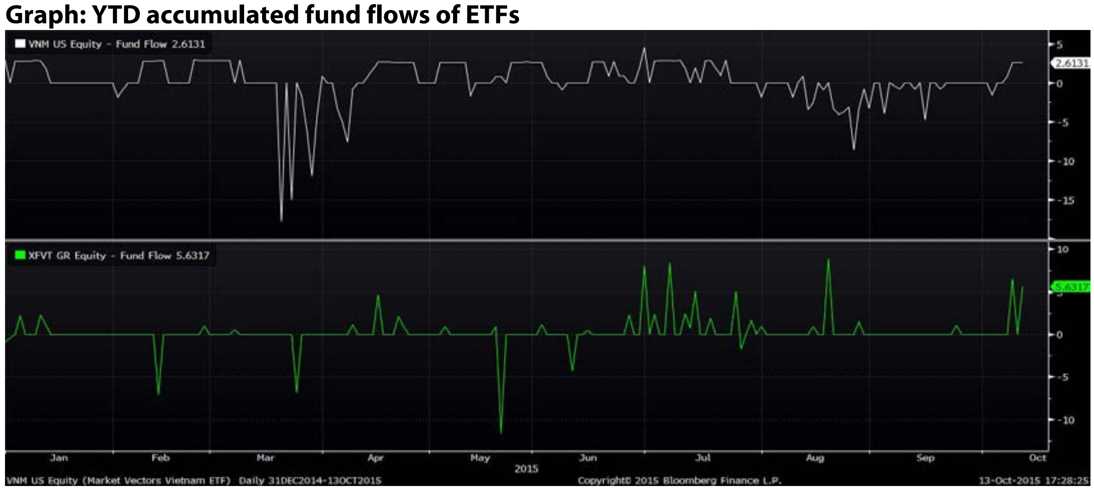
Liquidity continued to slide. The market seems to have levered out since last week. Today's trading session was clear, showed by VNIndex and HNIndex decreasing 1.26 and 0.27 points respectively. Having been mentioned in yesterday's Advisory Diary, the decreasing liquidity was stronger today, as trading volume went down by 9% to 131 million shares.

Cash flows kept diversifying into various market cap sizes and numerous sectors.

VN30, which baskets large cap stocks, declined by 0.41% while VNMID and VNSML representing medium and small cap shares went up by 0.44% and 0.56% respectively. Textiles and garments shares such as TCM, TNG, EVE bounced back after a correction period to prior TPP announcement, while all real estates shares having industrial land bank such as KBC, ITA, FLC were under profit taking pressure after a strong increase of 10%.

Foreigners were net buyers. Like yesterday, foreigners net sold VND66 billion which included a big put-through in HAG from foreign to local. Excluding this trade, foreigners were net buyers to the tune of VND73.8 billion in Ho Chi Minh. Net buying activity has declined slightly but generally remained stable. For ETFs in specifically, after TPP announcement on 05/10, 2 ETFs have successfully raised USD20.7 million. Total YTD accumulated fund flow is USD96.6 million (-93% y.o.y).

Graph: YTD accumulated fund flows of ETFs



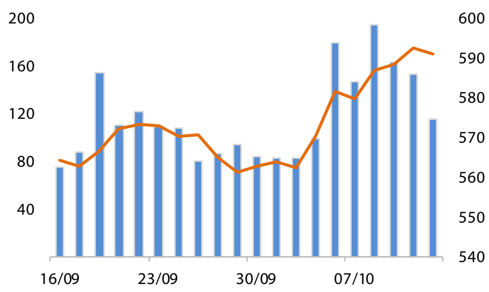
Souce: Bloomberg

China – September import continues to slump, trade surplus extended

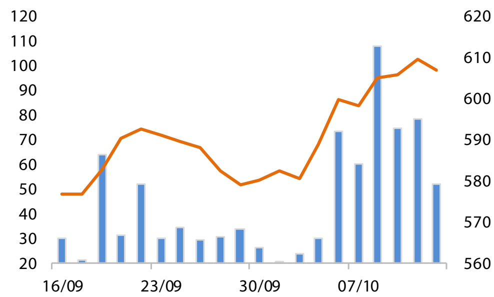
Chinese general Administration of Customs has recently released export-import data in September. Data showed Chinese imports tumbled 20.4% in September on y.o.y basis. However, the declined imports resulted in the trade surplus, which increased to USD 60.342 mil.

In the first 9 months, trade surplus recorded a worth of USD 427.5 mil, 83.8% higher than that of last year. In addition, China's GDP growth in Q3/2015 announced on October 19th 2015 is going to give a closer look into the country's economy during the last three month.

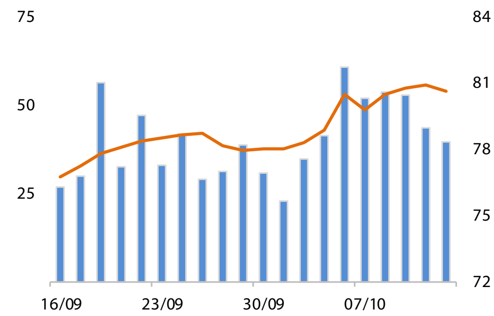
VNINDEX -0.21% 590.84



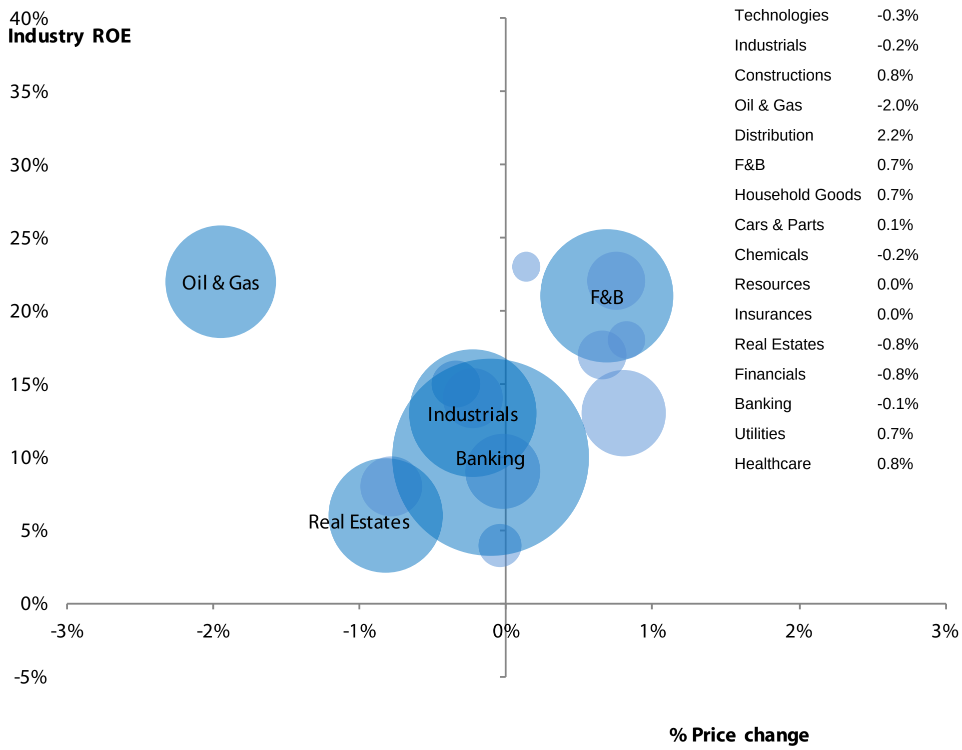
VN30 -0.41% 607.03



HNXINDEX -0.33% 80.62

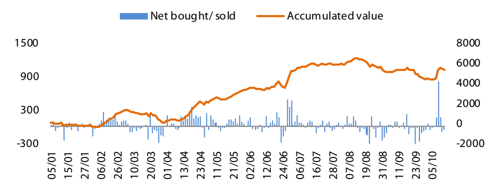


Industry Movement

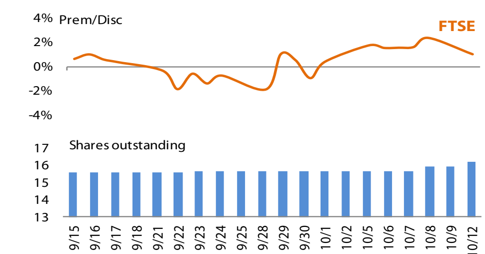


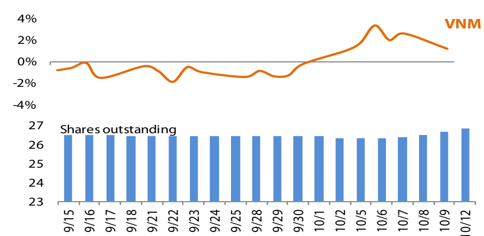
Industry	% change
Technologies	-0.3%
Industrials	-0.2%
Constructions	0.8%
Oil & Gas	-2.0%
Distribution	2.2%
F&B	0.7%
Household Goods	0.7%
Cars & Parts	0.1%
Chemicals	-0.2%
Resources	0.0%
Insurances	0.0%
Real Estates	-0.8%
Financials	-0.8%
Banking	-0.1%
Utilities	0.7%
Healthcare	0.8%

Foreign Investors Trading



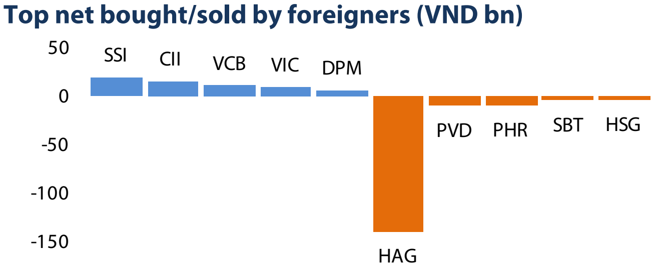
ETF



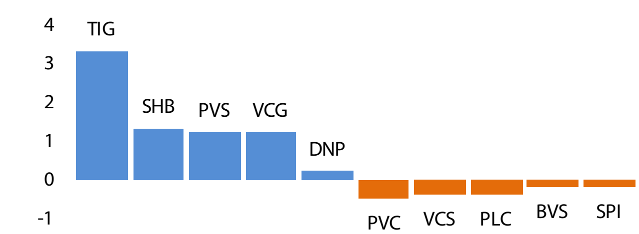


Top net bought/sold by foreigners (VND bn)

HSX



HNX



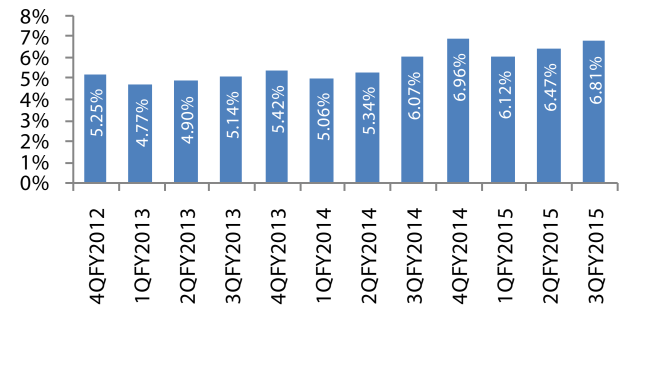
Top Active

Ticker	Price	Volume	% price change
FLC	7.1	9.43	-2.7%
ITA	6.3	6.04	-1.6%
HQC	5.9	5.05	0.0%
CII	24.4	4.28	0.8%
HAG	15.3	4.11	0.0%

Ticker	Price	Volume	% price change
KLF	4.4	4.64	-2.2%
SCR	8.2	3.01	0.0%
SHB	6.9	2.44	0.0%
PVS	22.4	1.79	-2.2%
TIG	10.1	1.10	0.0%

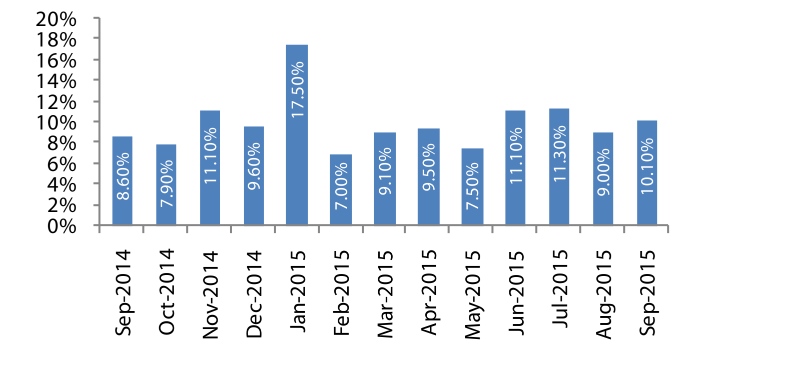
MACRO WATCH

Graph 1: GDP Growth



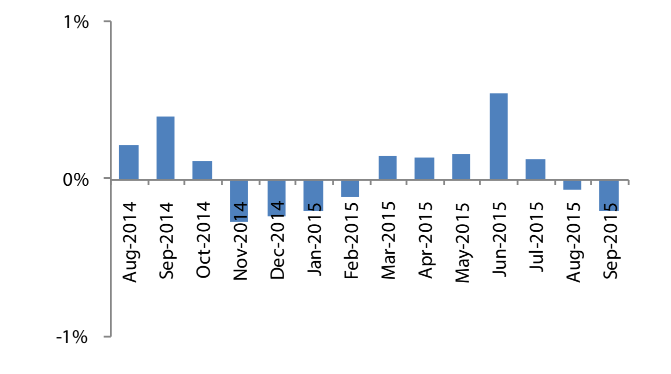
Sources: GSO. Rongviet Securities database
(*) Comparision price in 1994

Graph 2: IIP



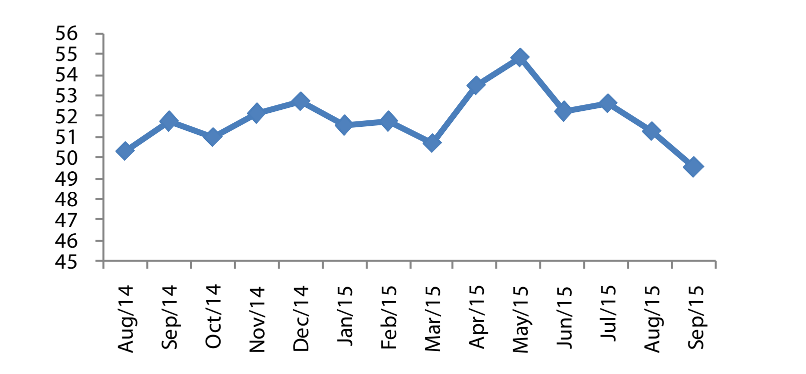
Sources: GSO. Rongviet Securities database

Graph 3: Monthly CPI



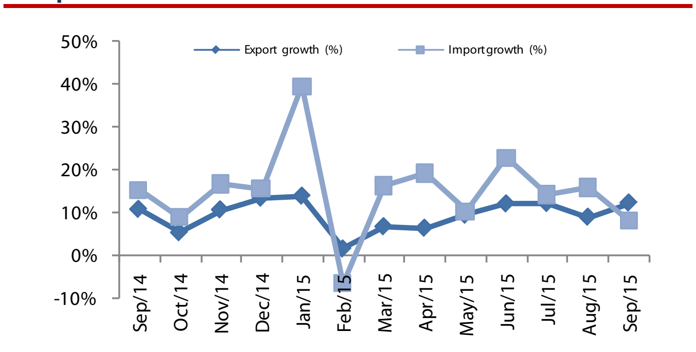
Sources: GSO. Rongviet Securities database

Graph 4: HSBC - PMI



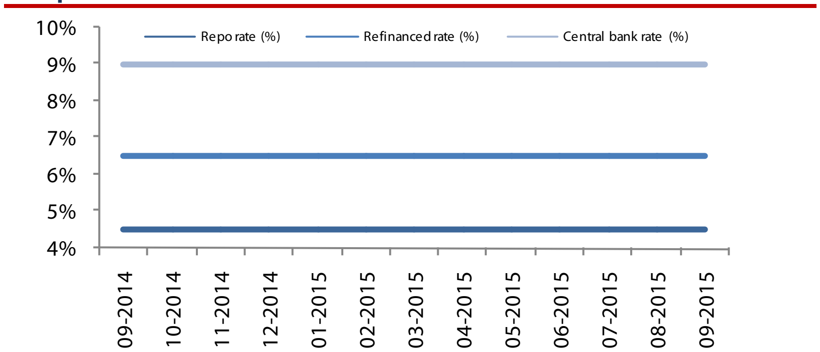
Sources: GSO. Rongviet Securities database

Graph 5: Trade Growth



Sources: GSO. Rongviet Securities database

Graph 6: Interest



Sources: SBV. Rongviet Securities database

RONG VIET NEWS

COMPANY REPORTS	Issued Date	Recommend	Target Price
CHP- Off season advantages	Sep, 30th 2015	Buy - Intermediate	23,600
PXS - Invest to strengthen construction capacity	Sept, 4th 2015	Accumulate - Intermediate	17,000
SHP - Positive over long-term	Sept, 3rd 2015	Accumulate - Intermediate	20,800
PET - Tracking the progress of Thanh Da land plot transfer	Aug, 20th 2015	Stable	N/a
VNC - Embrace the new wave of international commerce	Aug, 14th 2015	Neutral – Long term	28,900

Please find more information at http://www.vdsc.com.vn/en/companyReport.rv?categoryId=302

FUND CERTIFICATION INFORMATION

Fund name	Trading Day	Subscription Fee (% of trading value)	Redemption Fee (% of trading value)	NAV per unit at valuation date	NAV per unit last valuation date	Change in NAV
VFF	06/10/2015	0% - 0.75%	0% - 2.5%	11,935	11,922	0.11%
VEOF	06/10/2015	0% - 0.75%	0% - 2.5%	10,347	10,241	1.14%
VF1	08/10/2015	0.2% - 1%	0.5%-1.5%	23,236	22,386	-0.64%
VF4	07/10/2015	0.2% - 1%	0%-1.5%	10,038	10,391	-0.79%
VFA	02/10/2015	0.2% - 1%	0%-1.5%	7,097	7,217	-1.66%
VFB	02/10/2015	0.3% - 0.6%	0%-1%	12,375	12,361	0.12%
ENF	02/10/2015	0% - 3%	0%	11,582	11,578	0.03%
MBVF	30/09/2015	1%	0%-1%	10,574	10,538	0.34%
MBBF	30/09/2015	0%-0.5%	0%-1%	12,383	12,372	0.09%

ANALYSTS

Truc Doan – Head of Research

+ 84 8 6299 2006 | Ext: 1308

truc.dtt@vdsc.com.vn

Hoang Nguyen

+ 84 8 6299 2006 | Ext: 1319

Hoang.nh@vdsc.com.vn

Lam Nguyen

+ 84 8 6299 2006 | Ext: 1313

lam.ntp@vdsc.com.vn

Tuan Huynh

+ 84 8 6299 2006 | Ext: 1318

Tuan.hm@vdsc.com.vn

Kien Nguyen

+ 84 8 6299 2006 | Ext: 1320

Kien.nt@vdsc.com.vn

Ha My Tran

+ 84 8 6299 2006 | Ext: 1309

my.tth@vdsc.com.vn

Diem My Tran

+ 84 8 6299 2006 | Ext: 1311

my.ttd@vdsc.com.vn

Van Banh

+ 84 8 6299 2006 | Ext: 1316

Van.btt@vdsc.com.vn

Thien Bui

+ 84 8 6299 2006 | Ext: 1321

Thien.bv@vdsc.com.vn

Tai Nguyen

+ 84 8 6299 2006 | Ext: 1310

tai.ntp@vdsc.com.vn

Tam Bui

+ 84 8 6299 2006 | Ext: 1315

tam.bt@vdsc.com.vn

Huong Pham

+ 84 8 6299 2006 | Ext: 1314

huong.pt@vdsc.com.vn

Trinh Nguyen

+ 84 8 6299 2006 | Ext: 1331

Trinh.nh@vdsc.com.vn

Trien Le

+ 84 8 6299 2006 | Ext: 1317

trien.lh@vdsc.com.vn

HEADQUARTER

Floor 1-2-3-4, Viet Dragon Tower
141 Nguyen Du Street, Dist.1, HCMC

T + 84 8 6299 2006
F + 84 8 6291 7896
E info@vdsc.com.vn
W www.vdsc.com.vn

HA NOI BRANCH

2C Thai Phien street, Hai BaTrung Dist., Ha Noi city

T + 84 4 6288 2006
F + 84 4 6288 2008
E info@vdsc.com.vn
W www.vdsc.com.vn

NHA TRANG BRANCH

50 Bis Yersin street, Nha Trang city, Khanh Hoa city

T + 84 058 3820 006
F + 84 058 3820 008
E info@vdsc.com.vn
W www.vdsc.com.vn

CAN THO BRANCH

08 Phan Đinh Phung street, Ninh Kieu Dist., Can Tho city

T + 84 0710 381 7578
F + 84 0710 381 7789
E info@vdsc.com.vn
W www.vdsc.com.vn