NOVEMBER

ADVISORY DIARY

12

THURSDAY

- **Markets rebounded after 4-straight-day slipping**
- **BCI, GSP update**

Markets rebounded after 4-straight-day slipping. Both indices closed in green after a dull morning session. Correspondently, VNIndex closed at 605 pts (+2.05 pts) and HNIndex closed at 81.07 pts (+0.54 pt). Trading volumes reached to 1-month highest level. Total order-matching orders recorded at 174 million shares, up 38%, equivalent to total value of VND2,595 billion.

For 3 previous days, there were no significant differences between Open – Close price accompanying with low liquidity. On the other hand, today volumes substantially went up with 2/3 of total volumes fell in late evening session, when markets were very close to support level 585. *Investors seemed to have relieved from heavy sentiments and more confidently opened long positions, which is a good signal for current markets.*

Contrast to strong bottom-fishing demand of domestic investors, foreigners turned to net-selling position of VND 195 billion. However, as our mention in October Strategy Report, we kept opinion that domestic investors would take main role in controlling trend of market. Today net selling session as well as other next selling sessions would probably consider as sessions for rebalancing their portfolios after accumulating of over VND 1,100 billion in October and not so cautious.

In AD 11/11, statistical data show that history is calling for a peak ahead. Today session did strengthen those arguments. Markets are still accumulating in an uptrend. Stable sentiments, stable (or even increasing) liquidity and consensus between blue-chips are key factors for upward movement of markets.

"Markets rebounded after 4-straight-day slipping"

BCI update

Binh Chanh Construction Investment Shareholding (HSX- BCI) has just announced an extraordinary shareholder meeting on November 27th 2015. In particular, two major resolutions drawing the market's attention are (1) BCI continues to raise its legal capital to VND 1,200 billion by an issue of 33.28 million shares to strategic shareholders in 2016 and (2) the approval on Khang Dien House Investment and Trading JSC (***HSX-KDH***)'s BCI share transfer in order to hold over 25% of the Company's share capital.

What makes us notice in BCI capital-raising plan is that the Company's BOD will be entrusted with the determination of the issuance price as long as it is no less than 120% of the market price at the time of issuance. As we have commented in previous Advisory Diaries, in the last few years, BCI sold mostly products with little value added such as land plots and low-income condos. However, with the joining of KDH as a major shareholder, we expect the Company's focus to shift to higher-end segments like townhouses, villas or grade-B condos. For the shift to occur, however, BCI will need a large amount of funds, firstly to finish off the compensation, clearance and land-use taxes in its current projects, especially those with substantial land area such as Green Village, Corona City, Le Minh Xuan Industrial Park and Tan Tao Centre Residential Area. Assuming that the issuance will be about VND26,900/share or a 20% premium from today's close, BCI should take around VND900 billion out of the issuance. More importantly, the acceptance of such premiums suggests that the targeted strategic shareholders have quite an optimistic view of the BCI's post-issuance business performance.

In the first 9 month, BCI recorded VND 117 billion, downed 39% yoy. Thanks to the liquidation of a plot of land alongside Vo Van Kiet Boulevard, BCI's NPAT increased four times as compared to 9M2015, reaching VND 193 billion. BCI currently traded at P/E trailing 7.4x, lowering than the

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average industry of 15x. Meanwhile, BCI's P/B was at 0.96x, similar to the average's. However, we suppose that because the land was acquired a long time ago at a fairly low price, BCI's current book value does not fully reflect the potential from its real estate projects, especially with the transformation taking place at the company.

Result updates: Gas Shipping JSC (GSP-HSX)

RongViet Research analyst today would like to give our dear investors some updates on the current financial year performance and 2016 business prospect of ***Gas Shipping JSC (GSP-HSX)***. Rated among a few "value stock" under coverage, GSP has posted impressive results for the year through September. In specifics, the firm's 9T2015 revenue and PAT recorded VND756.3 billion and VND51 billion, showing a strong annualized bottom-line growth of 83.4%.

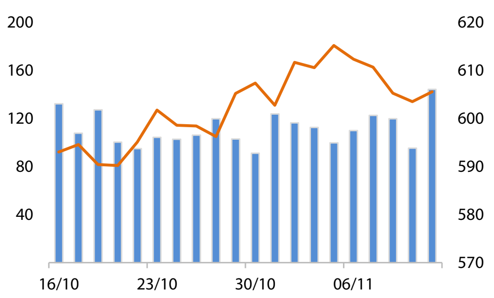
In line with our expectations, GSP's operating result this year has benefited from: (1) growth in LPG volume for transport (Dung Quat refinery increases output and growing imported LPG mean higher domestic LPG transport orders), (2) Hong Ha and VietGas vessels were fully depreciated in 2014, (3) shorter allocation duration for docking expense (down to 2.5 years from 05 previously). On top of that, the firm has successfully negotiated to increase freight charged to Binh Son Refinery Company by 7% taking effect from July 2015.

Against the industry backdrop of oversupply and debt laden, GSP's solid performance results year-after-year and positive growth outlook therefore deserve much credit. First of all, the firm is in such a strong financial position supported by (1) low-levered capital structure (D/A) of 14% as at September 30, 2015 relative to average industry of 40-45% and (2) highly liquid balance sheet with short-term asset over total assets ratio of nearly 35%. Especially, while risk of FX losses from USD denominated debt to finance vessel purchases is "haunting" sea transport firms' results, GSP almost stays "immune" from this kind of risk given the small USD debt balance at the end of 3Q2015 with only USD1 million (~VND22 billion).

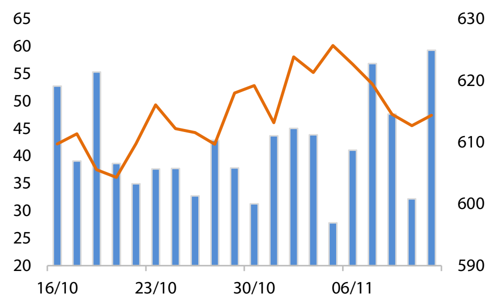
With all those regards, we decide to increase our estimate for 2015 revenue and PAT by 9.7% and 21.3% respectively as to previous forecasts in RongViet Research's GSP result update report dated May 11, 2015. Therefore, GSP is estimated to record ~VND1,000 billion in revenue (up 7% yoy) and VND66 in PAT (up 108% yoy) for the whole 2015 which results in equivalent 2015 EPS of VND2,200. At the closing price of VND15,500 today, GSP is trading at the P/E forward of 7x, quite attractive given the industry wide ratio of 8x. Apart from the share's upside potential, value investors who favor high cash dividend are just right for GSP with the annual payout rate of 12% (on par).

In terms of 2016 business prospect, GSP's earnings growth is expected to carry on thanks to (1) freight increase since July 2015 to take a full year impact in 2016 earnings and (2) growth in domestic transport volume driven by expectedly rising LPG imports (as Dung Quat refinery is operating at full capacity). In addition, GSP's 2016 gross margin is likely to widen as Aquamarine vessel to go fully depreciated at the end of 2015. However, GSP has planned to sell the vessel and replace with a new larger one at ~1,800 tones. In summary, GSP's performance going in to 2016 looks bright and positive based on both discussed internal and external factors.

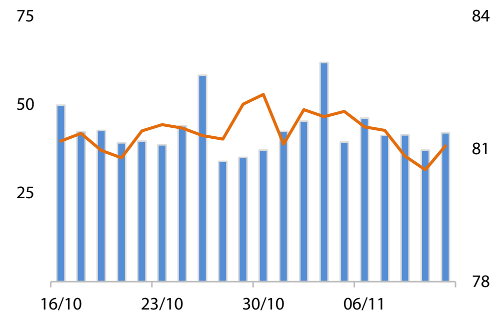
VNINDEX 0.34% **605.58**



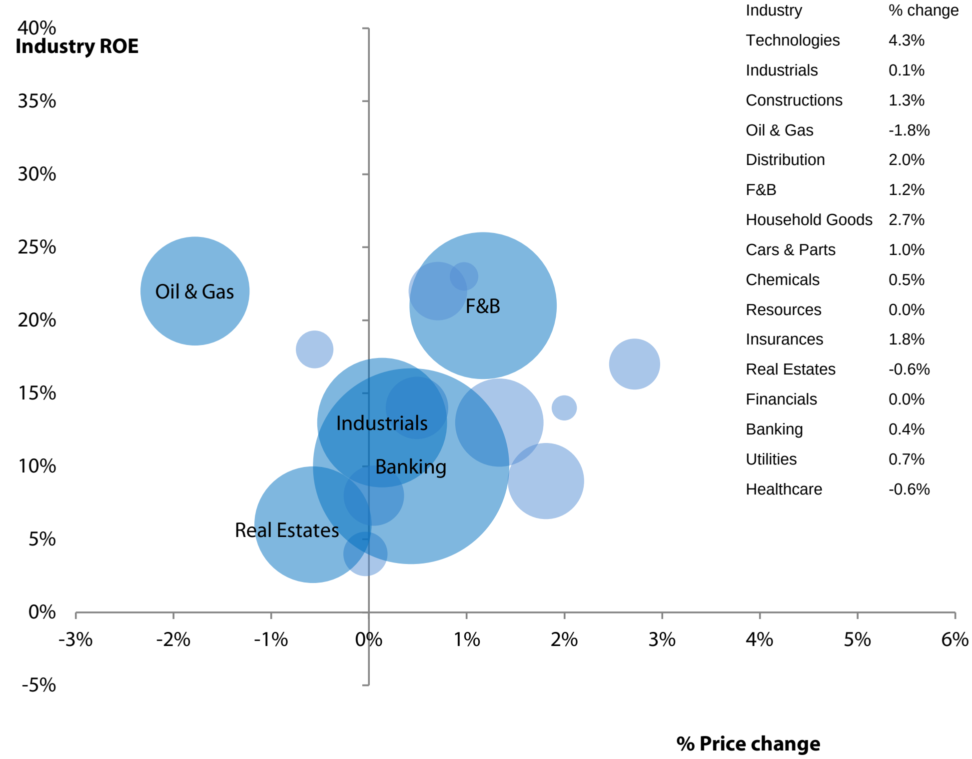
VN30 0.27% **614.39**



HNXINDEX 0.67% **81.07**

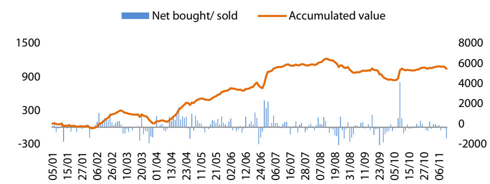


Industry Movement

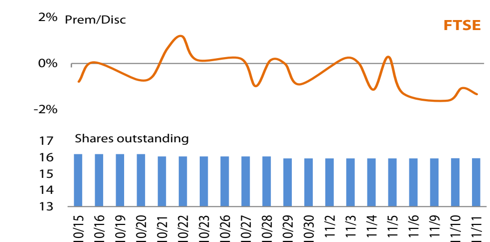


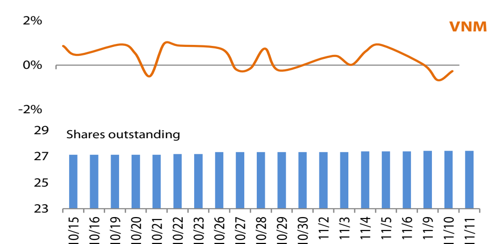
Industry	% change
Technologies	4.3%
Industrials	0.1%
Constructions	1.3%
Oil & Gas	-1.8%
Distribution	2.0%
F&B	1.2%
Household Goods	2.7%
Cars & Parts	1.0%
Chemicals	0.5%
Resources	0.0%
Insurances	1.8%
Real Estates	-0.6%
Financials	0.0%
Banking	0.4%
Utilities	0.7%
Healthcare	-0.6%

Foreign Investors Trading

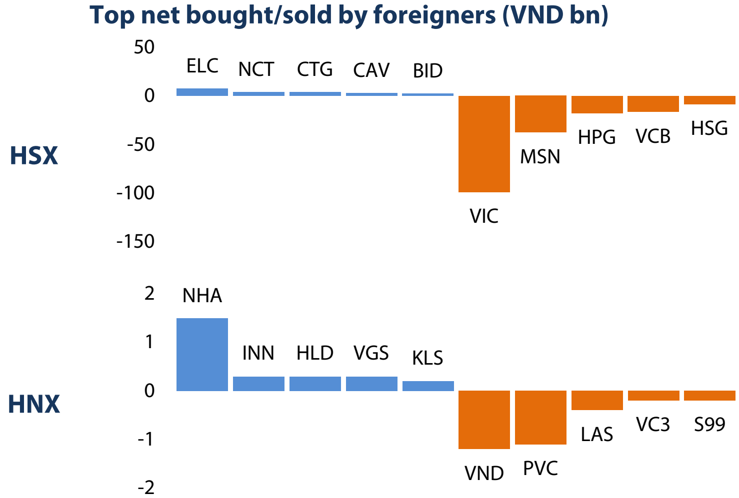


ETF





Top net bought/sold by foreigners (VND bn)



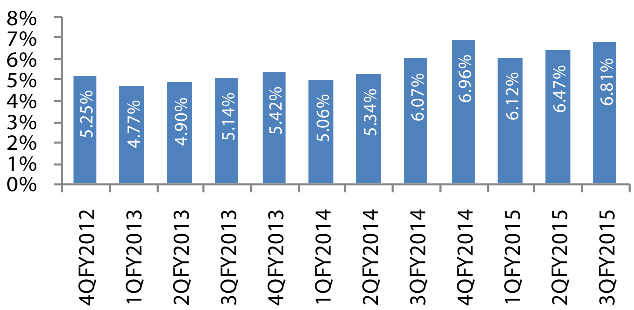
Top Active

Ticker	Price	Volume	% price change
OGC	3.1	18.99	6.9%
FLC	7.7	12.84	4.1%
HHS	16.6	9.16	-1.2%
FIT	10.1	5.37	2.0%
VHG	7.4	5.11	-2.6%

Ticker	Price	Volume	% price change
TIG	11.0	2.71	0.9%
KLF	4.4	2.67	2.3%
SCR	8.1	2.36	1.3%
VCG	12.5	1.53	2.5%
DPS	14.1	1.53	0.0%

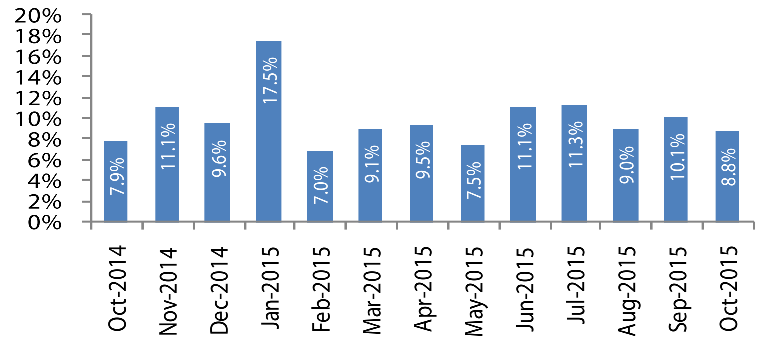
MACRO WATCH

Graph 1: GDP Growth



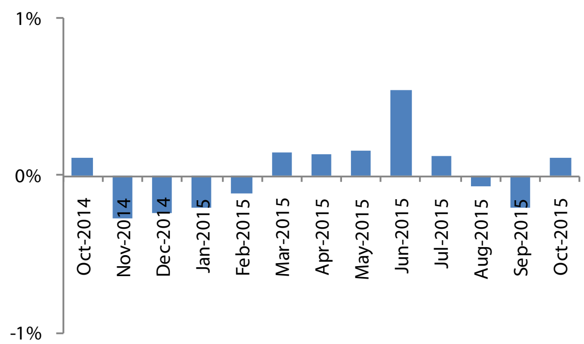
Sources: GSO. Rongviet Securities database
(*) Comparision price in 1994

Graph 2: IIP



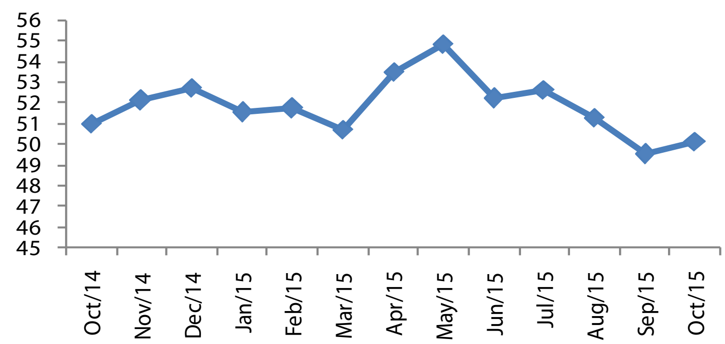
Sources: GSO. Rongviet Securities database

Graph 3: Monthly CPI



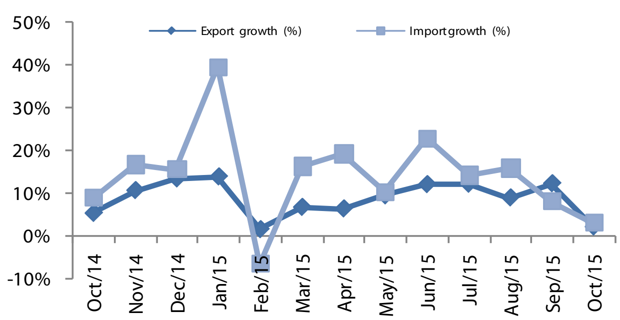
Sources: GSO. Rongviet Securities database

Graph 4: HSBC - PMI



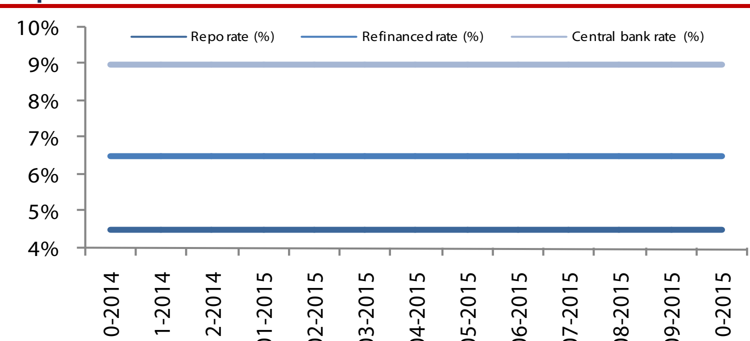
Sources: GSO. Rongviet Securities database

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
NKG- Capital ravels to be untangled	November 6th, 2015	Neutral – Intermediate term	17,400
DMC - Restructuring sparks positive changes	October 30th, 2015	Accumulate – Intermediate term	49,000
HSG - New investments: The engine of growth	October 29th, 2015	Accumulate – Long term	52,500
KSB - Rock-solid foothold in the construction stone	October 28th, 2015	Buy – Intermediate term	38,400
HHS - Riding on a rough road	October 28th, 2015	Neutral – Short term	20,100

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	03/11/2015	0% - 0.75%	0% - 2.5%	12,058	12,047	0.09%
VEOF	03/11/2015	0% - 0.75%	0% - 2.5%	10,674	10,488	1.77%
VF1	05/11/2015	0.2% - 1%	0.5%-1.5%	24,505	24,267	0.98%
VF4	05/11/2015	0.2% - 1%	0%-1.5%	11,102	10,994	0.98%
VFA	05/11/2015	0.2% - 1%	0%-1.5%	7,517	7,461	0.76%
VFB	05/11/2015	0.3% - 0.6%	0%-1%	12,490	12,409	0.66%
ENF	30/10/2015	0% - 3%	0%	12,107	11,963	1.73%
MBVF	05/11/2015	1%	0%-1%	10,974	10,991	-0.15%
MBBF	28/10/2015	0%-0.5%	0%-1%	12,438	12,445	-0.06%

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