16

FRIDAY

- **Result update: DHC, SKG, NT2**
- **Upwards accumulations**

Kraft paper: Demand has strongly grown

Based on the economic recovery and possibility of concluding free trade agreement, RongViet research rated paper-packaging industry positively in the 2015 Vietnam Stock Market Outlook report. We have been more confident when the demand reached a strong growth (31.03% yoy). Besides, the supply increase also drew the attention; particularly, imported volume increased significantly by 53.1% yoy, which was much higher than the domestic production growth of 15%

In terms of medium and test liner segments, imported volume gained at least 97% over the same period. According the industry growth of 12% forecasted by VPPA and expanding plans (included FDI enterprises), until 2018, Vietnam will continue to import Kraft paper. Obviously, the demand has exceeded the supply more and more. Thus, as our opinion, enterprises having the expanding capacity plan can reduce the risks relating to consumption concern if product quality is standardized and accepted.

Table 1: The supply increase according to expanding capacity plans in period of 2015 -2018.

Company	Capacity expansion
- Vina Kraft	225
-Nine Dragon	350
-DHC	180
-An Bình Paper	100
-Lee&Man	600
Total	**1,455**

Source: Rongviet Research

As a "rare" ticker in Vietnam stock market manufacturing Kraft, DHC has attracted investors since 2014 when new management led the company to a growth phase. With optimistic industry outlook, DHC has also recorded impressive performance since Q1. Until Q3/2015, PAT was estimated at approximately VND 50 billion, exceeding 8% compared with 2015 plan. Due to positive outlook, we adjusted the forecasted earnings in brief note dated 24 April 2015. If excluding extraordinary profits, 2015 PAT and diluted EPS can record respectively~ VND 66 billion and 3,600 VND per share (DHC can issue 6 million shares in Q4/2015). With the closing price of 25,800 VND/share today, DHC is currently trading at an attractive forward P/E (7.2). Additionally, ex-right date of cash dividend will be in next week (20 October 2015); thus, value investors can accumulate the ticker

DHC is currently on the final negotiation step of the 6 million shares issuance for strategic partners in order to invest the Giao Long II factory worth ~ VND 600 billion with capacity of 600 tons per day. This project will increase the capacity to ~230,000 tons/year.

"Upwards accumulations"

Trien Le

+ 84 8 6299 2006 | Ext: 1317

trien.lh@vdsc.com.vn

Tuan Huynh

+ 84 8 6299 2006 | Ext: 1318

Tuan.hm@vdsc.com.vn

Upwards accumulations

Markets eased one week after TPP announcement. VNIndex could not maintain its previous week's pace 4.5% but only gained 0.9%. Prior to SCIC divesture information, which was the hottest news of this week, trading volumes dropped 15% per session. After SCIC informing its divesting list, jumped to higher level with impressive trading volumes. To sum up, average volumes were 109.8 million shares and 38.2 million shares in HSX and HNX, making a total of 148 million shares. Despite 18% lower than last week volumes, we think markets are making balance. If volumes do not drop significantly next week, markets need more accumulation to break 600. As we commented in October Investment Strategy, not many profit-takers will act under 590 but different story will be seen over 590 when profit-taking tendency becomes more fiercely.

With the exception of today session seeing large market breadth, some large capital stocks rotated to support VNIndex. Such stocks were VCB, VNM, FPT, CTG, BVH. This rotation spread positive market sentiment.

Table 2: Price movement of some large capital stocks in this week

	10/12/2015	10/13/2015	10/14/2015	10/15/2015	10/1
VCB	3%	0%	-1%	0%	
VNM	0%	1%	4%	-1%	
FPT	0%	-1%	3%	0%	
BVH	6%	0%	-4%	4%	
CTG	0%	0%	-1%	2%	

Ending the first half of 10/2015, stock exchanges approached the sentimental threshold at 600. Therefore, VNIndex during the second half of this month could face more difficulties than the last two weeks. The reasons are that most of expecting information (TPP agreement, SCIC capital withdrawn) this year has been absorbed by the exchanges. As a result, there will be less "kicks" for markets to experience significant gain.

However, Q3 business result establishing season has come to an end and we expected that companies with optimistic results could contribute to the increase of markets. In term of trading activities, liquidity is at suitable level. Foreign investors show no sign of net-selling and capital withdrawn along with the attractiveness of large-caps (especially VNM, FPT, BVH, CTG…) could be the anchor for exchanges. Consequently, we believe that stock exchanges over the next week could maintain the accumulating situation with the mixture of up and down.

Q3 result update

SKG: **Speedboat Corporation Superdong – Kien Giang JSC** (SKG –HSX) has just released the Q32015 report. More specifically, SKG's earning result remained positive with the revenue reaching VND 81.52 bl and NPAT recorded VND 48.15 bl, increasing by 37.89% and 68.6% respectively. In the first 9 month, the company came close to achieve the 2015 target revenue and overachieved 11.2% for the NPAT.

Thanks to the development of Phu Quoc island as well as the lower level of oil price, the gross profit margin in Q3/2015 and for the 3Q2015 remained at 69% as compared to the 55% figure for the same period. According to KienGiang Department of culture, sports and tourism, the number of tourists visiting Phu Quoc increased to 1.33 million people, upped by 84.6% yoy and exceeded 26.6% of the 2015 guidance in the first 9 months of 2015.

According to our analyst's estimation, SKG's 2015 revenue is expected to reach VND 310.14 billion, PAT is estimated at around VND 178.36 billion, increasing 38.5% and 72.8% y.o.y respectively. Estimated EPS is VND 7,286 per share, forward P/E is 10.98x. As a result from the company's current prospect, SKG's investments and high speed boats IX and X can be implemented faster than predicted. *Further details on the investment progress are going to be updated in the upcoming advisory diary.*

NT2: PV Power NT2 (HSX: NT2) announced its nine-month business result yesterday. Accordingly, total volume reached approximately 4 bn kWh. Total revenue is VND5,376 bn and correspondent profit-before-tax (included foreign exchange differentiation loss) is VND728 bn in nine months, equivalent to 90.4% and 110.2% its whole year target respectively. Regarding to foreign exchange rate variation, USD and EUR appreciated more than 3% and 3.8% against VND during last Q32015. As a result of that, NT2 is expected to report a lost of VND206 bn in Q32015. Comparing to end of 2014, USD appreciated ~5.2% but EUR depreciated ~4% against VND. Therefore, total unrealized loss of foreign exchange differentiation that NT2 should report in nine months is VND137.4 bn. Excluding foreign exchange unrealized gain/loss, NT2's PBT in nine months is expected at VND865.4 bn, up by 3x y/y.

WEEKLY TECHNICAL VIEW

VN-Index

VN-Index added 5 points (or 0.85%), closed at 593.02. Trading volume decreased 17.4% down to 550 million shares.

After breaking out of 575 area on heavy volumes, an uptrend formed and VN-Index is moving towards 600 area. The uptrend of VN-Index is quite solid when VN-Index cut above all of its moving averages such as EMA(26), SMA(50), SMA(100) and SMA(200). The averages themselves are moving up steadily.

Looking at technical indicators, both the MACD and the RSI remains bullish.

The ADX indicator turned up showing that the uptrend is developing strongly.

In a short-term, the support of VN-Index is around 585 while the resistance is 600.

Traders should hold stocks longer and corrective sessions are good chance for disbursing.

HNX-Index

HNX-Index gained 0.43 points (or 0.53%), closed at 81,18. Trading volume reduced 19.7% down to 191 million shares.

After conquered its strong resistance successfully, HNX-Index moved sideways for few sessions. Generally, HNX-Index is in an uptrend the next target is 82.5-83 area (equivalent to 100 and 200-day moving averages). In case of correction, the support of HNX-Index is around 79.5.

Looking at technical indicators, both the MACD and the RSI remains bullish. The ADX turned up slightly.

Recommendation:

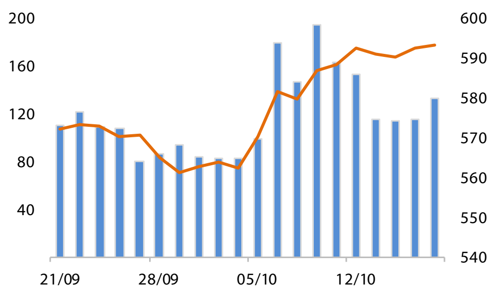
Both VN-Index and HNX-Index kept going up slightly on reducing volumes. An uptrend was confirmed and traders should hold stocks for higher targets.

Khai Tran

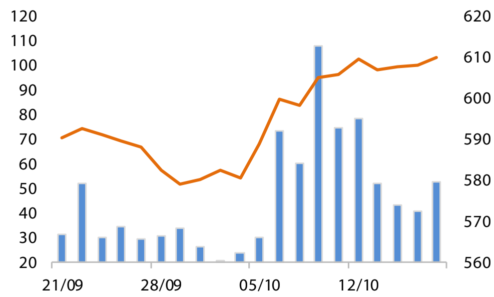
+84 8 6299 2006 | Ext: 1254

khai.tq@vdsc.com.vn

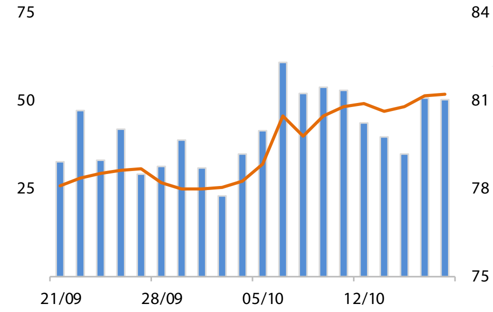
VNINDEX	0.10%	593.02



VN30	0.29%	609.73

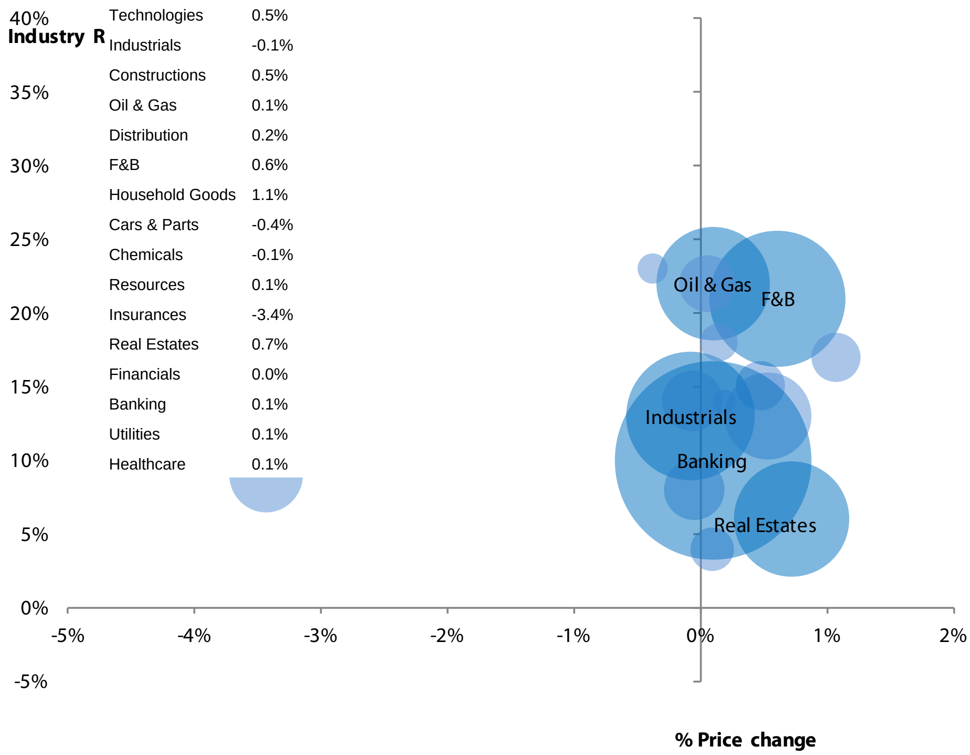


HNXINDEX	0.05%	81.18

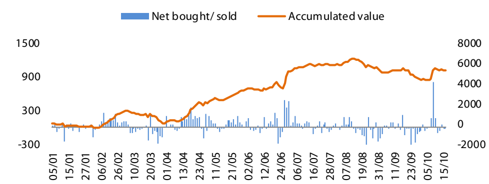


Industry Movement

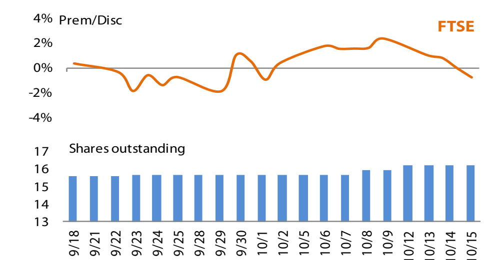
Industry	% change
Technologies	0.5%
Industrials	-0.1%
Constructions	0.5%
Oil & Gas	0.1%
Distribution	0.2%
F&B	0.6%
Household Goods	1.1%
Cars & Parts	-0.4%
Chemicals	-0.1%
Resources	0.1%
Insurances	-3.4%
Real Estates	0.7%
Financials	0.0%
Banking	0.1%
Utilities	0.1%
Healthcare	0.1%

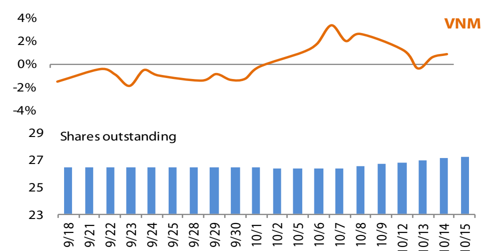


Foreign Investors Trading



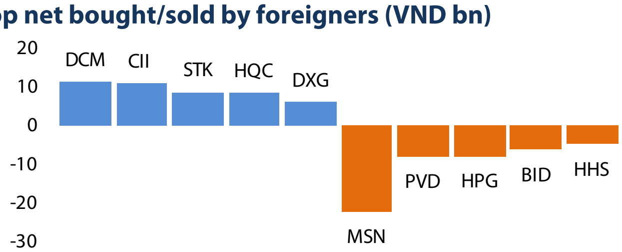
ETF



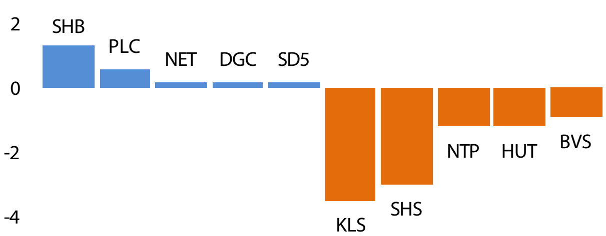


Top net bought/sold by foreigners (VND bn)

HSX



HNX



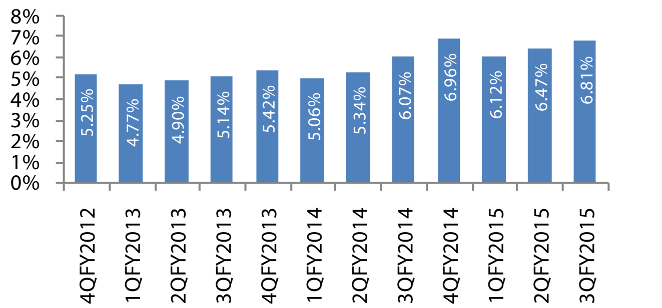
Top Active

Ticker	Price	Volume	% price change
FLC	7.2	9.65	1.4%
ITA	6.7	7.48	0.0%
HQC	6.4	6.46	4.9%
FIT	10.0	5.75	3.1%
CTG	21.1	5.44	1.9%

Ticker	Price	Volume	% price change
TIG	10.9	4.79	6.9%
SCR	8.3	4.70	1.2%
KLF	4.5	4.26	0.0%
PVX	3.2	4.04	3.2%
SHB	6.9	2.33	0.0%

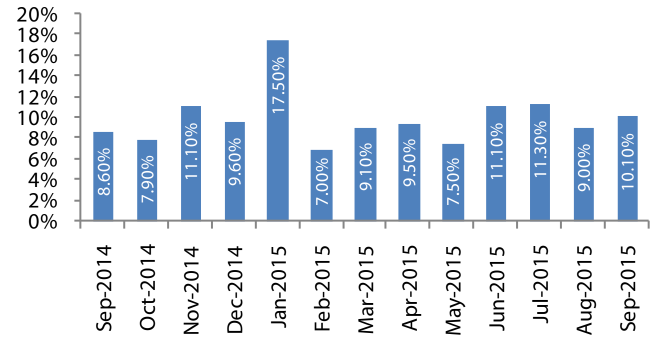
MACRO WATCH

Graph 1: GDP Growth



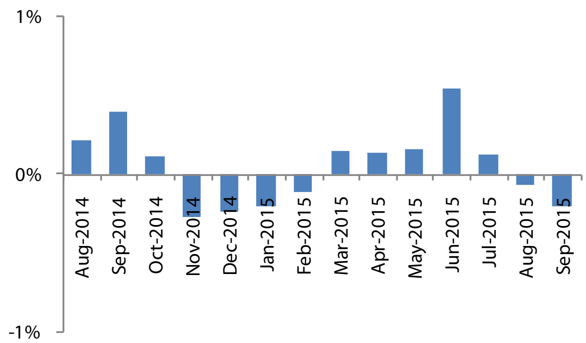
Sources: GSO. Rongviet Securities database
(*) Comparision price in 1994

Graph 2: IIP



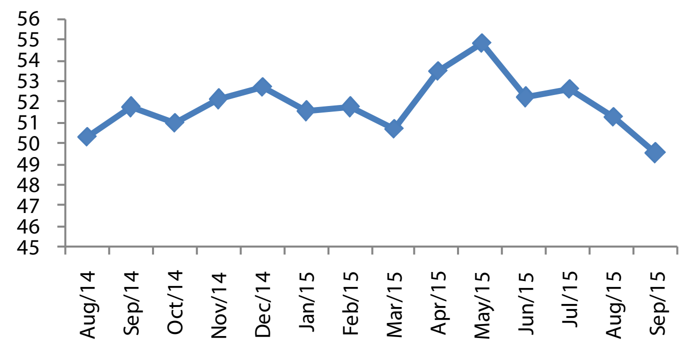
Sources: GSO. Rongviet Securities database

Graph 3: Monthly CPI



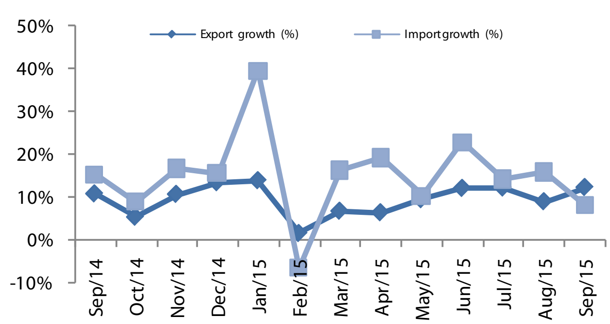
Sources: GSO. Rongviet Securities database

Graph 4: HSBC - PMI



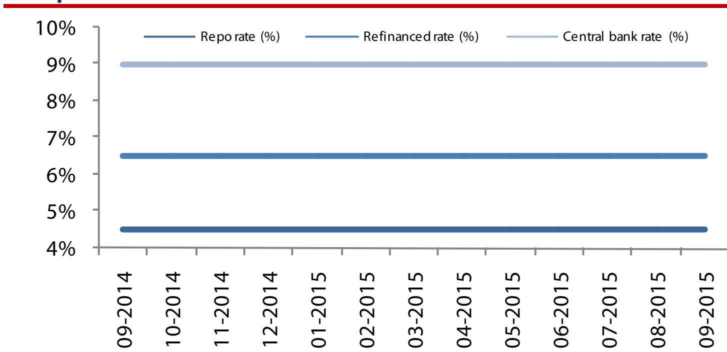
Sources: GSO. Rongviet Securities database

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

Ha My Tran

+ 84 8 6299 2006 | Ext: 1309

my.tth@vdsc.com.vn

Tai Nguyen

+ 84 8 6299 2006 | Ext: 1310

tai.ntp@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

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

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