AUGUST

03

MONDAY

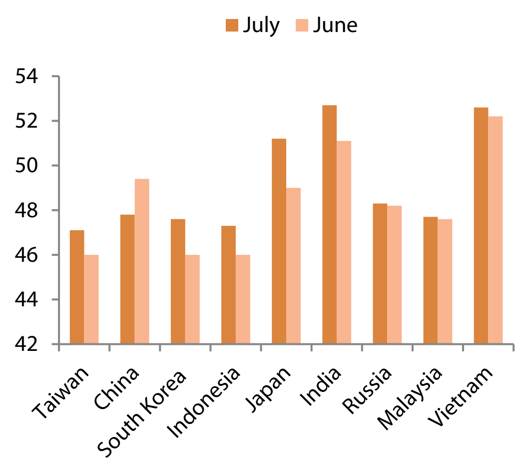
ADVISORY DIARY

- **PMI updated - a stable recovery**
- **Bearish engulfing market due to TPP**

PMI updated - a stable recovery

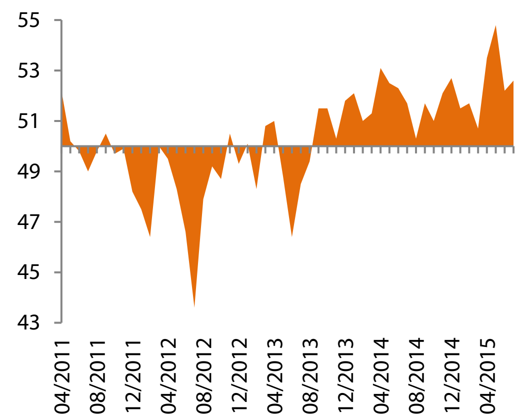
Today, Nikkei has recently published PMI of July 2015 in Vietnam and Asia countries. According to the survey, PMI in Vietnamese manufacturing sector has recorded continuously positive result. Particularly, the index increased from 52.2 points in June to 52.6 points in July, marking the 23rd consecutive month of this sector's expanding trend of Vietnam. Compared to others Asian countries, Vietnamese PMI is currently among the leading countries in the region (see the figure below)

Exhibit: PMI manufacturing of Asian countries in June and July 2015



Source: Nikkei

Exhibit: Vietnam PMI manufacturing d 2015



Source: Nikkei

" Bearish engulfing market due to TPP"

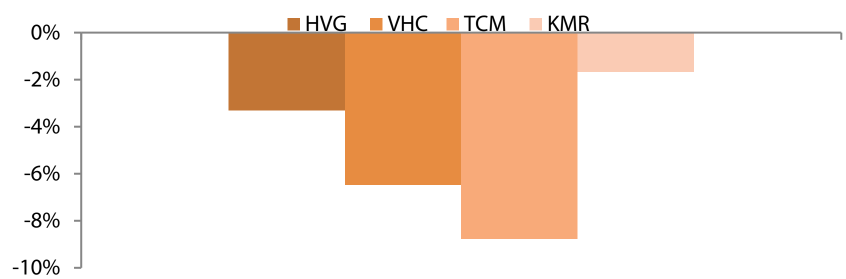
Based on analysis, the improvement appears on most of components such as output, new orders, and employment situation. The requirement of new employment was resulted from the incremental order. That increase in July's is also the fourth straight day. Moreover, the surge in new order spurred industrial production. According to the newest GSO's report, industry index in July witnessed high growth (+11.3% yoy). Accumulated to now, the index of industrial production rose 9.9% over the same period.

Thus, for the first 7 months of 2015, PMI continues to maintain above 50 points; level of production expansion. Further observation of PMI index in the previous few years, we realize that July is usually the "bottom" of this figure. However, the overall picture of Vietnam PMI manufacturing is promised thanks to the "sudden" increase index in this July and the usual better index in the second half than the first half of the year.

Bearish engulfing market due to TPP

Last week, delegates negotiating a Pacific free trade agreement have failed to reach a final deal after several days of intense talks in Hawaii. The failure means that US government cannot approve TPP until 2016. TPP news is considered as a main cause impacting negatively on TPP benefited stocks. Particularly, TNG, TCM, HVG, KMR,… dropped to floor price with millions of blue shares. This adjustment took off "the achievement" in last week.

Exhibit: Prices movement of TPP-related stocks within a week (*)



Source: Bloomberg, RongViet Research

(*) Comparing between closed price from 27th July to 3rd August

Apart from fisheries and textiles industries, TPP bad news also impacted on other industries such as banks, oil and gas and insurance industries. Lacking the support from leading stocks, two bounces closed in red, down 12 points in HSX and nearly down 2 points in HNX; within morning session, VNIndex even decreased by 15 points.

Contrary to the index movement, trading volume was positive to the tune of total value of VND 3,302 billion. Notably, CII prices moved in an upward trend and increased 3.1%. Such increase came from the resolution of approving positive 1H2015 result of VND 734 billion and 2015 of VND 905 billion plan published last week. According to this resolution, EGM of CII will take place for approvals of (1) expanding foreign investor room under the law, (2) increasing ownership of NBB to 45% in the end of 2015 and 51% in June 2016. Even though the positive news has been published for a month, the relating NBB also increased today (+400 VND)).

In contrast to domestic investors' trading, foreign investors had a slight net buying of VND 19 billion in 2 bourses. However, this action can be enough to "save" investors' confidence when the TPP happened in unexpected way. We believe that upward momentum of market has become "fragile" after the positive's switching to all sectors. Meanwhile, TPP related information has been "exaggerated", raising the concern of relevant stocks' risky. Thus, easy come easy go is what we believe in today predictable correction. In our opinion, margin call could be a big concern for the upcoming sessions. Unless bidders and sellers reached an agreement, market would come to uneasy condition with low trading volume and bearish movement in following sessions. However, here comes the sun after the rain; the market would strongly depend on the upcoming supporting news to confirm a new trend.

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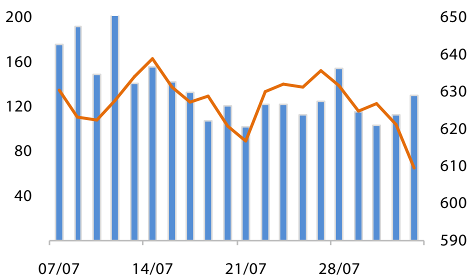
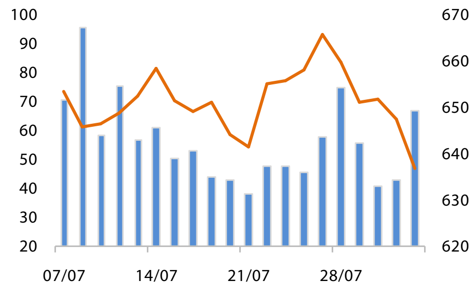
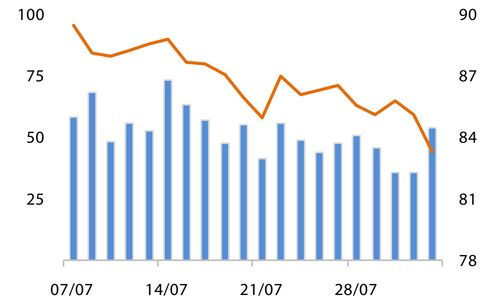
VNINDEX	-1.87%	609.47	VN30	-1.61%	636.92	HNXINDEX	-2.14%	83.31

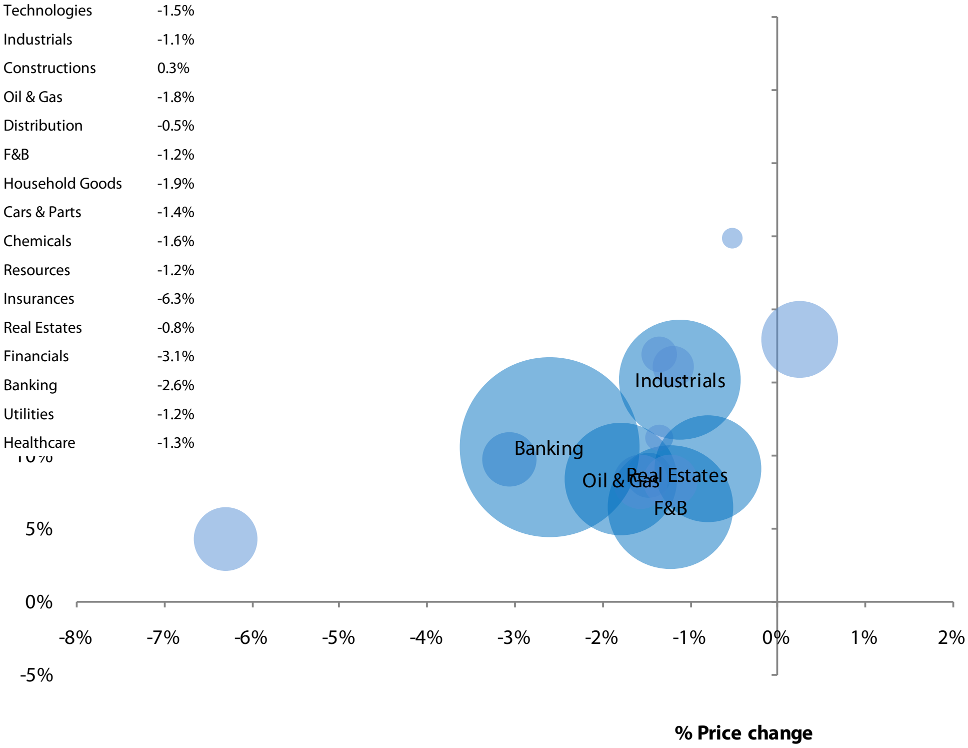




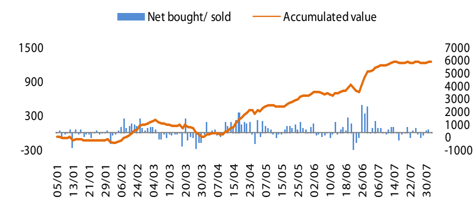


Industry Movement

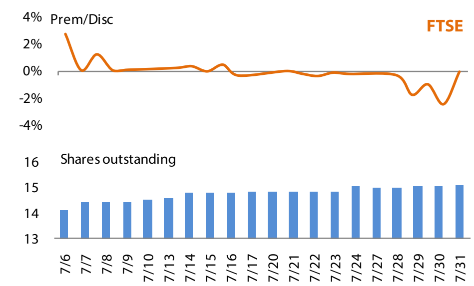
Industry	% change
Technologies	-1.5%
Industrials	-1.1%
Constructions	0.3%
Oil & Gas	-1.8%
Distribution	-0.5%
F&B	-1.2%
Household Goods	-1.9%
Cars & Parts	-1.4%
Chemicals	-1.6%
Resources	-1.2%
Insurances	-6.3%
Real Estates	-0.8%
Financials	-3.1%
Banking	-2.6%
Utilities	-1.2%
Healthcare	-1.3%

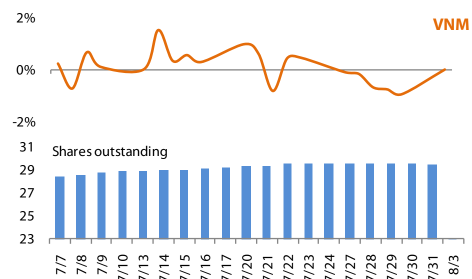


Foreign Investors Trading



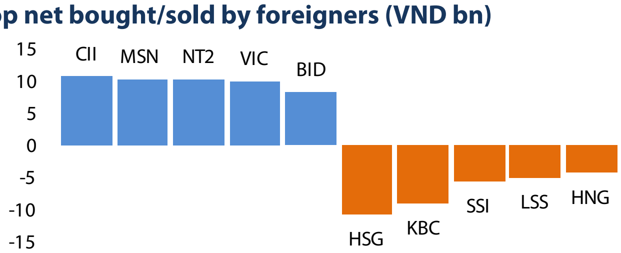
ETF



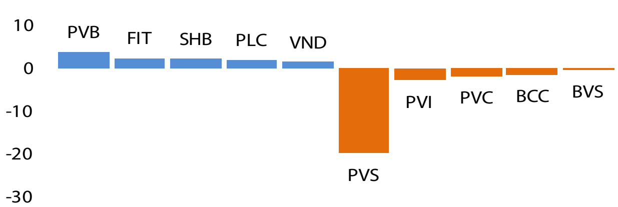


Top net bought/sold by foreigners (VND bn)

HSX



HNX



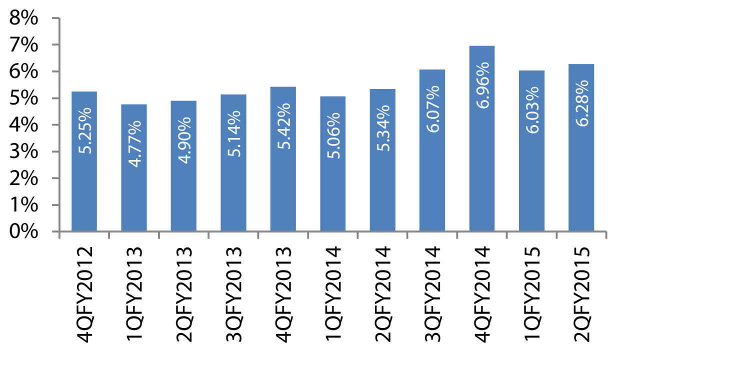
Top Active

Ticker	Price	Volume	% price change
FLC	7.8	7.26	-2.5%
CII	26.8	6.68	3.1%
SSI	26.2	6.17	-3.7%
MBB	15.5	5.56	-1.9%
SBT	15.6	3.86	-2.5%

Ticker	Price	Volume	% price change
SHB	8.2	6.48	-2.4%
FIT	12.4	5.66	2.5%
KLF	5.7	3.30	-5.0%
SCR	8.3	2.82	-3.5%
VND	14.2	2.13	-4.7%

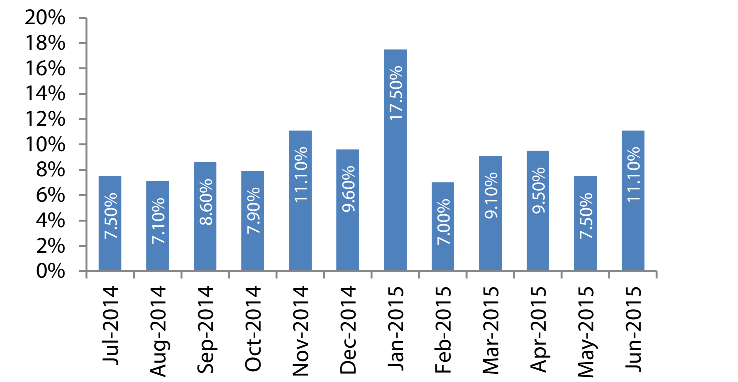
MACRO WATCH

Graph 1: GDP Growth



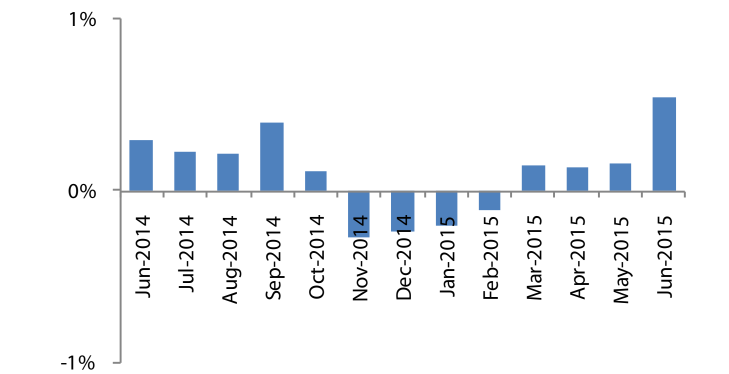
Sources: GSO. Rongviet Securities database
(*) Comparision price in 1994

Graph 2: IIP



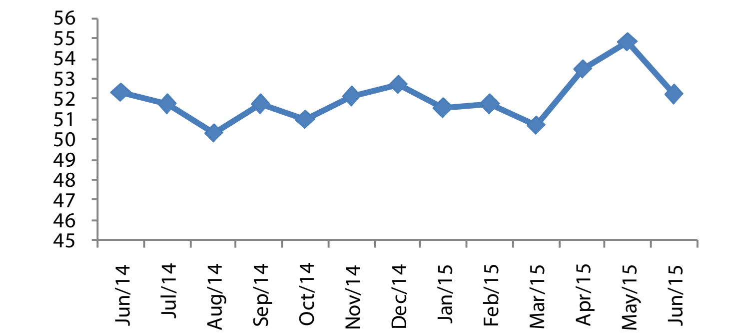
Sources: GSO. Rongviet Securities database

Graph 3: Monthly CPI



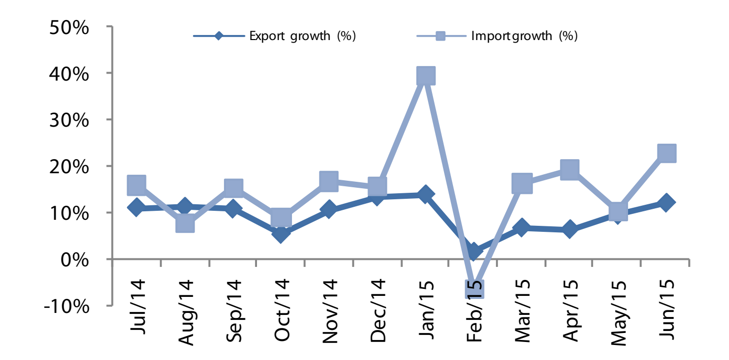
Sources: GSO. Rongviet Securities database

Graph 4: HSBC - PMI



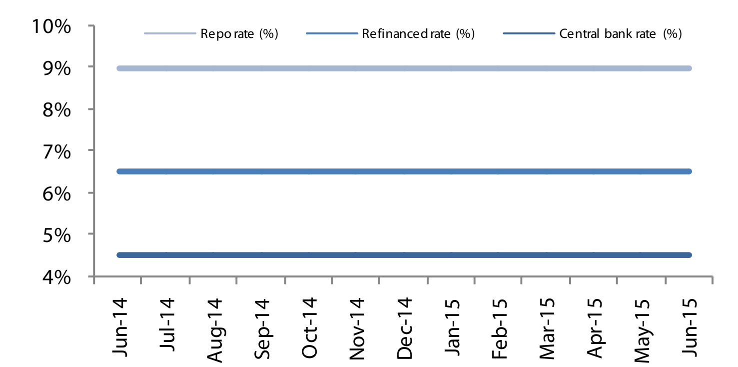
Sources: GSO. Rongviet Securities database

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
NT2 - Growth in stability	July, 30th 2015	Buy – Intermediate term	30,200
FMC - Leaping in overseas waters	July 23rd, 2015	Accumulate – Intermediate term	27,000
SVC - Firing up the engine	July 20th, 2015	Accumulate – Intermediate term	24,100
LCG - A new cycle begins	July 16th, 2015	Accumulate – Intermediate term	9,500
PVD - Well-positioned in the industry but still early to expect upturn	July 14th, 2015	Accumulate – Intermediate term	61,700

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	21/07/2015	0% - 0.75%	0% - 2.5%	11,817	11,748	0.59%
VEOF	21/07/2015	0% - 0.75%	0% - 2.5%	9,945	10,100	-1.53%
VF1	31/07/2015	0.2% - 1%	0.5%-1.5%	23,561	23,582	-0.09%
VF4	29/07/2015	0.2% - 1%	0%-1.5%	10,715	10,752	-0.34%
VFA	31/07/2015	0.2% - 1%	0%-1.5%	7,606	7,606	0%
VFB	31/07/2015	0.3% - 0.6%	0%-1%	12,282	12,260	0.18%
ENF	24/07/2015	0% - 3%	0%	11,626	11,557	0.60%
MBVF	30/07/2015	1%	0%-1%	10,578	10,626	-0.45%
MBBF	29/07/2015	0%-0.5%	0%-1%	12,300	12,295	0.04%

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