JUNE

15

MONDAY

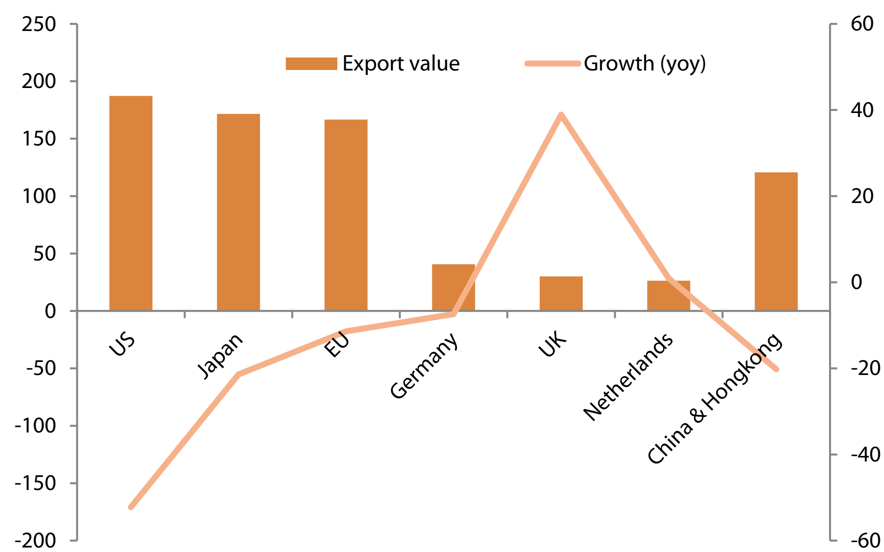
ADVISORY DIARY

- **Recovery prospect for shrimp exports in the remaining quarters of 2015**
- **Banking stocks – Is MBB a start?**

Recovery prospect for shrimp exports in the remaining quarters of 2015

Last weekend, Viet Nam Association of Seafood Exporters and Producers (VASEP) has recently announced the statistic in Vietnamese seafood exporting since the beginning of this year till 15/5/2015. Accordingly, shrimp export by the end of first half of May achieved 769.645 million USD, significantly decreased by approximately 29.3% y.o.y, especially in majors markets such as US (-53.9%), Japan (-24.6%) and EU (-10.7%). At this moment, US is the main export market, accounting for about 20.6% of export value. Accumulating until the first half of May, value of shrimp exports from Vietnam reached USD163.955 million, declined by 53.9% y.o.y. According to our research, the main reason decreasing the value of exports was the high level of inventory from previous year, leading to the significant drop in exports (~28%).

Exhibit 1: Vietnam's shrimp export value in major markets



Source: *Vasep, RongViet Research*

Furthermore, by controlling the diseases on shrimp (EMS), supply from other major exporting countries such as Indonesia, Thailand, India or Mexico dramatically increased, resulting in the decrease in average price level. According to our statistics, the export price of Vietnamese shrimp in US market in the first 4 months of this year sharply declined (-18.4%), however, the exporting price is slightly higher than other countries. In addition, our calculations demonstrated that shrimp exporting price from Vietnam is approximately 10 – 14% higher than other exporting countries.

"Is MBB a start?"

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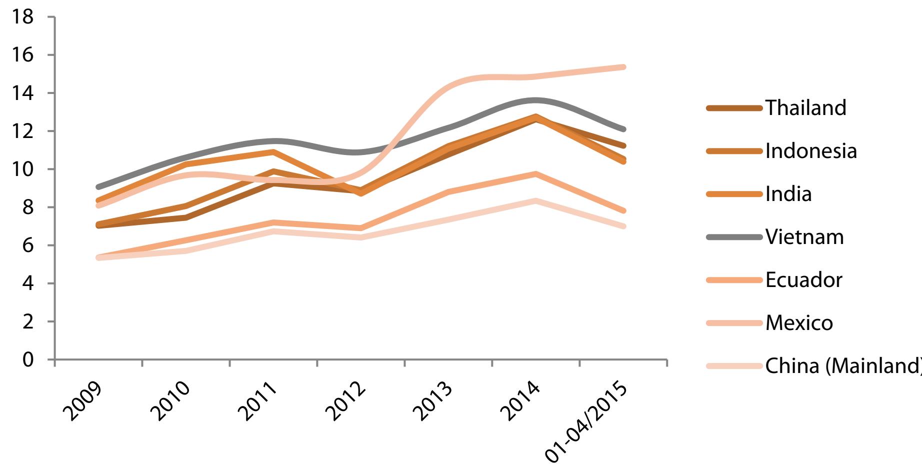
Exhibit 2: Vietnam's and other countries' shrimp export price in the US



Source: *USDA, RongViet Research*

Overall, price and volume of shrimp decreased over the first months of 2015 came from not only Vietnam but also the global trend. Over the remaining months of 2015, when the economies show no sign of recovery in EU and Japan, we believe the demand from such markets could not significantly improve. As a consequence, US market was expected to "absorb" the additional output from Thailand, Indonesia and India. US market, simultaneously, also is expected to contribute to the change in shrimp price level when the inventory from late 2014 is fully consumed. According to our research, many shrimp exporters also forecasted the price to increase by 5 – 10% since the end of Q2/2015. Therefore, the recovery in shrimp market could demonstrate some optimistic signs after Q2/2015 if those factors have positive feedback.

FMC is one of our favorites listed shrimp companies. Now, the US and Japan are two main markets with a proportionate market share of 46% and 38% respectively (2014). However, since Q12015, to offset the decrease in above imported markets, export to EU scheduled to increase in order to take advantages from the elimination of Thailand preferred tax in terms of shrimp exports in EU. Therefore, the proportionate market share in EU increased from 2% to 11% in Q12015. Moreover, according to our statistic, FMC's market shares increased in three major export markets including the US, Japan and EU. In the first 5 months, FMC's manufacturing output recorded positively, however, our analyst supposed that due to a decrease in current export prices, revenue in Q22015 is unlikely to be as the same as the same previous. In upcoming months, when the level of shrimp price change, we expect FMC's earning result will gradually reflect this change. Our company report will be released in upcoming time.

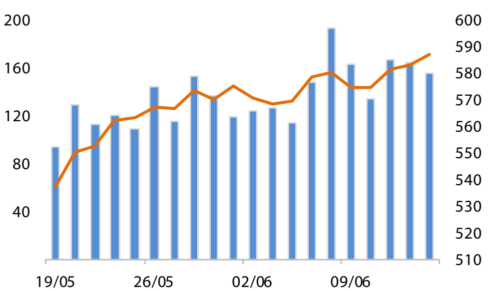
Banking stocks – Is MBB a start?

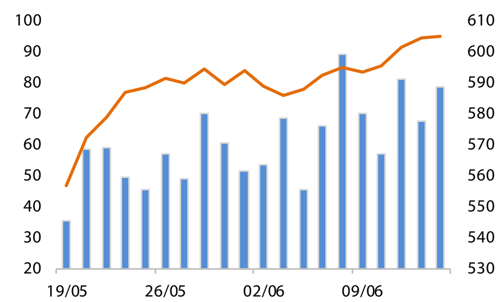
Today's trading atmosphere was probably bleak without the support of banking shares. At the end of the day, most of banking shares increased sharply, notably VCB (+3.9%), ACB (+2.3%), CTG (+6.1%), BID (3.8%), however, the most outstanding share should be MBB which closed at the ceiling price with more than 10.4 million shares changed hands. Witnessing the rally of MBB, some investors asked RongViet Research what if there is a next wave (after leaders) at banking industry? According to our observations, MBB's liquidity has changed significantly since the end of May after the news related to the divestment of Vietnam Tiger Investment Fund (registered to sell 2.7 million shares from June 06 to July 02). However, we think above reasoning is not enough to explain for the abrupt change in volume of MBB shares. Consulting from our banking industry's analyst, we know that among banking shares which have not increased much yet (STB-MBB-EIB), MBB has the best operating efficiency. However, our analyst also comments that the increase of MBB share can hardly lift others; in addition, investors should remember that current price range is the strongest resistance range of MBB in the rise at the end of January.

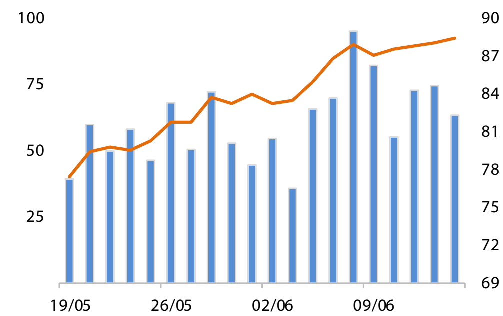
If the banking segment was the leading stocks to support the indices with VNIndex and HNXIndex to close with “green” colors at 0.64% and 0.47% increase respectively, other leading segments such as oil & gas or real estate were under the selling pressure today. Regarding such movements, our market analysts believe that this could be for short-term profit taking after increasing week of such stocks. Moreover, JVC received special attention from investors over the last few days after 3 consecutive sessions at price-floor and high-level of selling surplus. Regarding the rumors about legal disputes from the company, last weekend, JVC’s board made the announcement to correct the information and asserted that the company has been normally operated. Even though such information triggered the psychological reaction to “bottom-up” the stocks with significant liquidity of 12.5 million shares, JVC still ended today trading session with the slight decline of 1.2%.

In addition to restructuring of ETF portfolios, there will be many useful pieces of economic fields for investors: (1) the Fed’s FOMC meeting (held from 16-17/06/2015) may reveal the time when Fed raises interest rates. (2) TPA approval is struggling in voting round of House of Representatives as obstacles are arising from the Obama’s Democratic Party. Currently, two opposite voting sides of free trade agreement are putting their final effort to defend their viewpoint. While TPA information has impact on textile companies’ stock prices such as TCM, TNG, the results of Fed meeting in June will be more likely to affect foreign investors’ sentiment. Opening session of this week, foreign investors became net buyers on HNX with total of VND2 billion but net sold VND30.7 billion (in contrast to long position of VND157 billion in last Friday session). Such shares are JVC (VND 33.1 bil), OGC (VND 20.2 bil), KDC (VND 8.7 bil)…

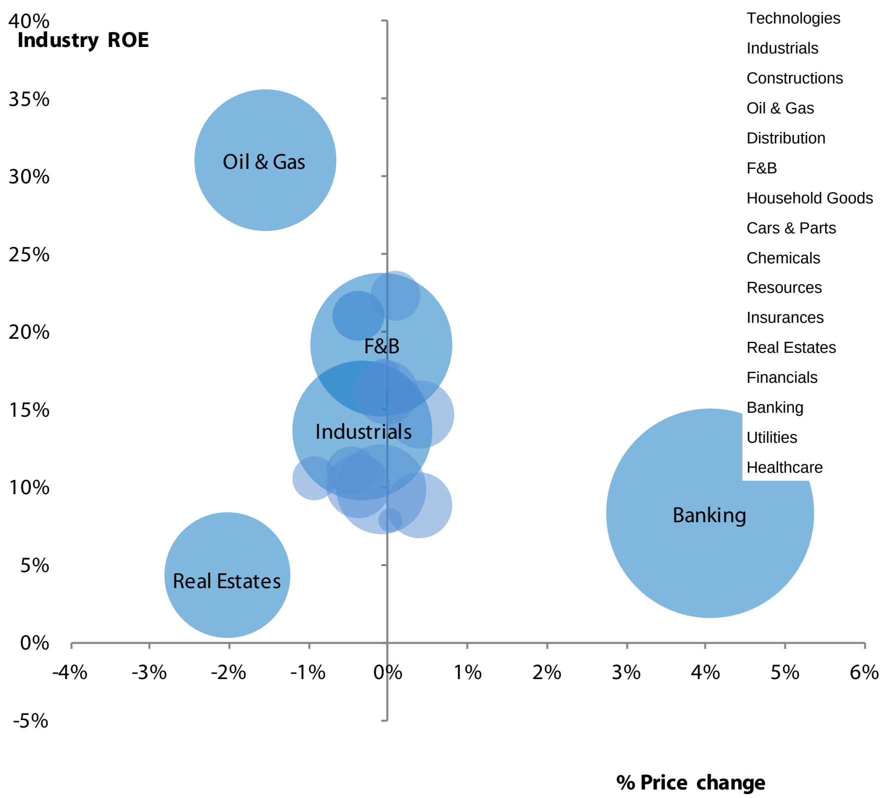
VNINDEX	0.64%	586.48	VN30	0.04%	604.53	HNXINDEX	0.47%	88.36





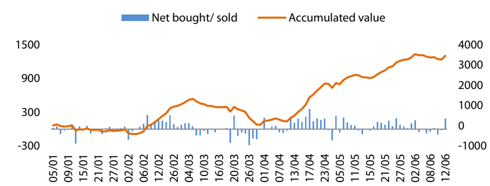


Industry Movement

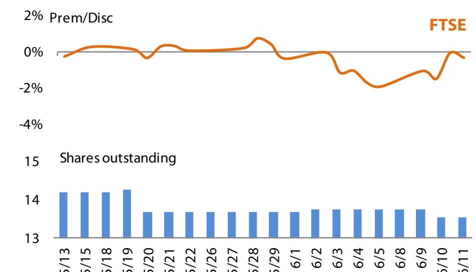


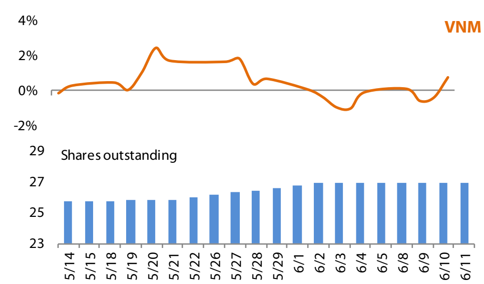
Industry	% change
Technologies	-0.4%
Industrials	-0.3%
Constructions	-0.1%
Oil & Gas	-1.6%
Distribution	0.0%
F&B	-0.1%
Household Goods	-0.5%
Cars & Parts	-0.1%
Chemicals	0.0%
Resources	0.1%
Insurances	0.4%
Real Estates	-2.0%
Financials	0.4%
Banking	4.1%
Utilities	-0.4%
Healthcare	-0.9%

Foreign Investors Trading



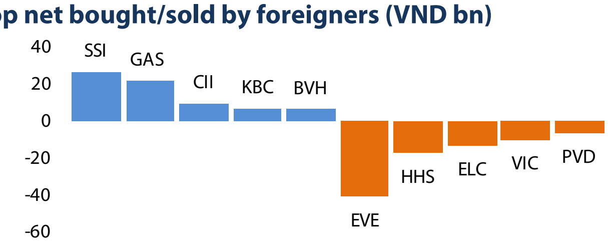
ETF



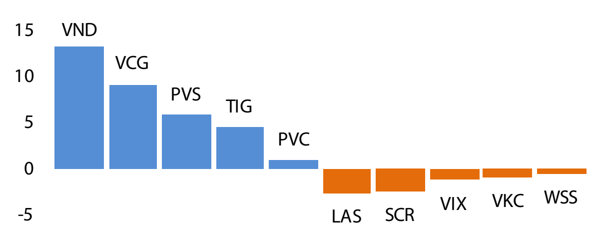


Top net bought/sold by foreigners (VND bn)

HSX



HNX



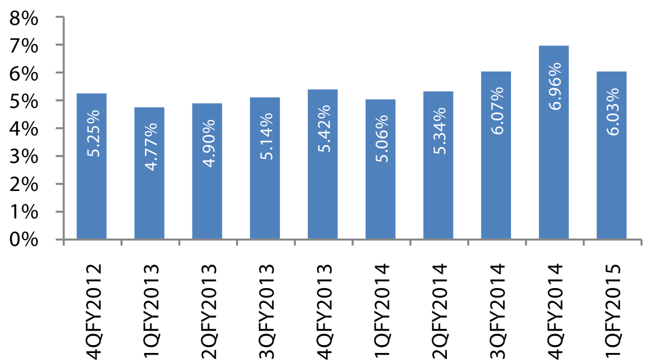
Top Active

Ticker	Price	Volume	% price change
FLC	9.5	28.00	0.0%
JVC	17.1	12.49	-1.2%
OGC	2.5	10.58	-3.8%
MBB	14.8	10.38	6.5%
ITA	6.8	6.35	3.0%

Ticker	Price	Volume	% price change
SHB	8.3	6.44	2.5%
PVX	4.2	5.70	-2.3%
VND	13.8	4.11	5.3%
KLF	7.6	4.07	-1.3%
FIT	16.7	3.85	-1.2%

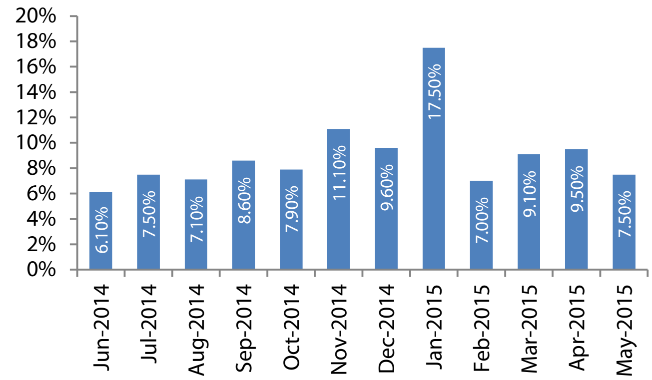
MACRO WATCH

Graph 1: GDP Growth



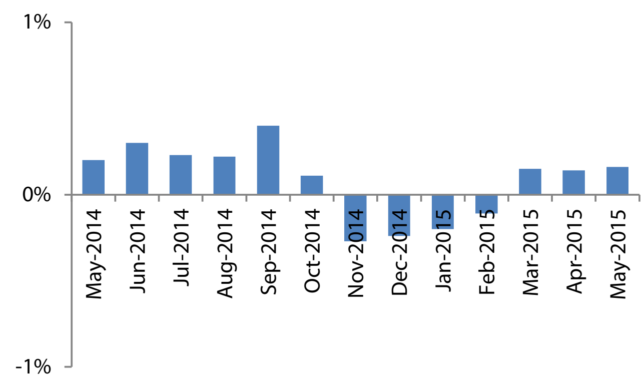
Sources: GSO. Rongviet Securities database
(*) Comparision price in 1994

Graph 2: IIP



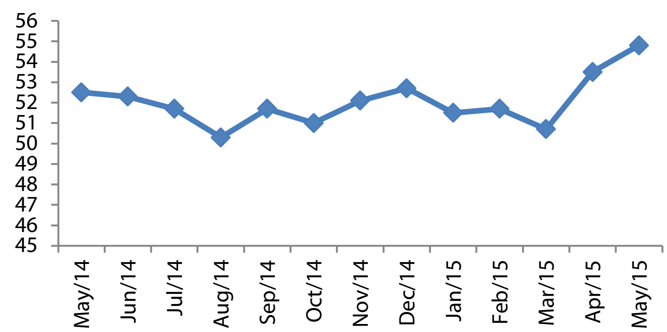
Sources: GSO. Rongviet Securities database

Graph 3: Monthly CPI



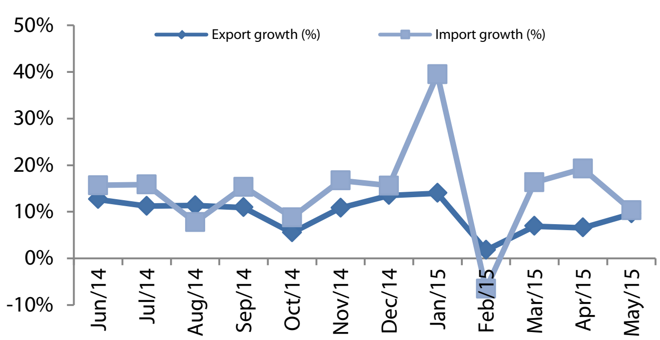
Sources: GSO. Rongviet Securities database

Graph 4: HSBC - PMI



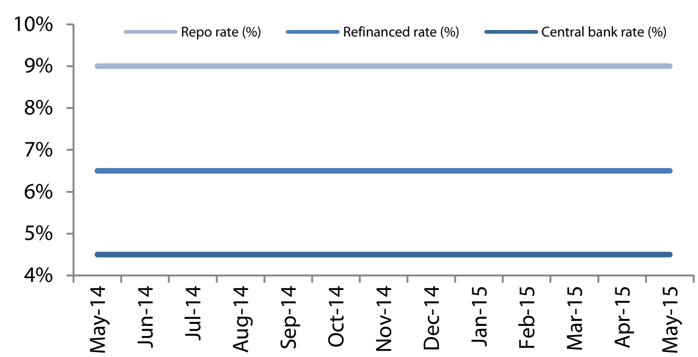
Sources: GSO. Rongviet Securities database

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
MWG - Optimistic business outlook in 2015	May 25th, 2015	Buy – Intermediate term	101,000
FPT - Positive recovery in the technology business	May 12th, 2015	Accumulate – Long term	60,900
GSP- Heading for a new growth period	May 11th, 2015	Accumulate – Long term	16,600
STK - Running on all cylinders	May 7th, 2015		30,800
VPH - Emerging from its lowest	May 5th, 2015	Buy – Intermediate term	15,300

Please find more information at http://vdsc.com.vn/tabid/149/language/vi-VN/default.aspx

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	05/05/2015	0% - 0.75%	0% - 2.5%	11,672	11,683	-0.09%
VEOF	05/05/2015	0% - 0.75%	0% - 2.5%	9,238	9,456	-2.31%
VF1	08/05/2015	0.2% - 1%	0.5%-1.5%	20,675	20,520	0.75%
VF4	06/05/2015	0.2% - 1%	0%-1.5%	8,978	9,098	-1.38%
VFA	04/05/2015	0.2% - 1%	0%-1.5%	7,154	7,168	-0.20%
VFB	08/05/2015	0.3% - 0.6%	0%-1%	12,126	12,133	-0.05%
ENF	04/05/2015	0% - 3%	0%	10,834	10,779	0.51%
MBVF	04/05/2015	1%	0%-1%	10,449	10,439	0.10%
MBBF	29/04/2015	0%-0.5%	0%-1%	12,075	12,064	0.09%

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