JUNE

16

TUESDAY

ADVISORY DIARY

- **Vietnam's trade activities in May**
- **Blue-chips tumbling dragged both indices down**

Vietnam's trade activities in May - Garment, footwear keep the momentum and Vietnamese shrimps export faces challenges.

Yesterday, the Customs of Vietnam has published Vietnam Export-Import data for the month of May. According to the report, total export and import value of Vietnam reached USD13.69 billion and USD14.93 billion consecutively; hence, Vietnam has recorded a trade deficit of USD1.23 billion in May after a slight trade surplus in April. Thus, accumulated trade deficits have totalled $3.81 billion since the beginning of this year.

Electronics components accounted for the highest export turnover with total cumulative value up 20.3% y-o-y (estimated at $11.9 billion). Two major commodities in export structure being textiles and footwear continued to achieve sustainable growth 13% and 15% (compared with 05/2014) respectively. Since beginning of 2015, total export value of these upped 10% and 20% (yoy). Our analyst expresses positive view on textile sector for the remaining months of this year as more export orders this year continue due to the bright opportunities from TPP.

For seafood exports, total export turnover in May grew by 6.1% comapred to last month. However, the 5-month accumulated value decreased by 15.2% yoy; of which shrimp and pangasius are main export seafoods. We believe that fluctuations in shrimp exports will have a major impact on Vietnam seafood export in general with its relative share in total export turnover of 50%. As we shared in yesterday Advisory Diary, high inventory from major importers like Europe, Japan and especially the US and increasing shripm supply after EMS disease is under control are main causes affecting Vietnam's shrimp export value in the first half of this year. However, our industry analyst believes the situation will improve from 3Q2015 when shrimp inventories in major markets declines leading to the recovery in shrimp price.

"Blue-chips tumbling dragged both indices down "

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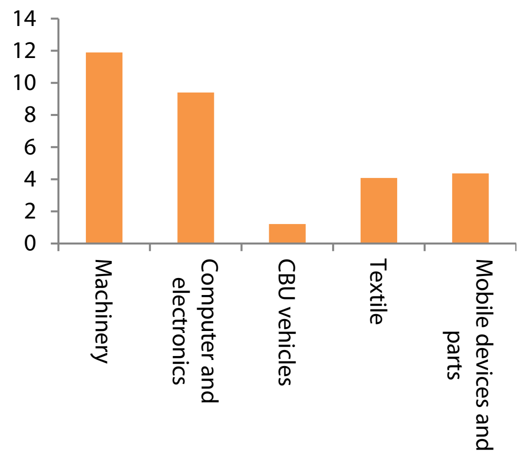
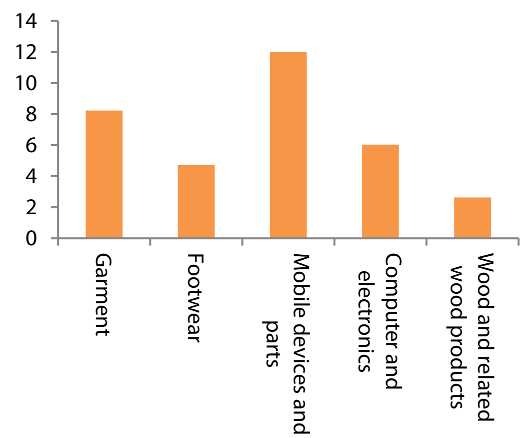
Graph 1: Top import goods by turnover in the first 5 months (USD billion)



Source: RongViet Research

Graph 2: Top export goods by turnover in the first 5 months (USD billion)



Source: RongViet Research

In contrast, machinery and equipment & parts posted the largest import turnover in the first 5 months of 2015, up 41% yoy, reaching USD11.8 billion. Coming second is computer products and electronic equipment, which have the 5-month accumulated import value of USD 9.4 billion, up 38% yoy. Our analyst argues the recovery of Vietnam economy is a main driver for industrial and manufacturing activities which then requires more machines and equipments.

In addition, statistics on the total turnover of imported CBU vehicles was very impressive with the average monthly growth of 180 % (yoy) . For the first 5 motnhs of 2015, the accumulcated turnover value of imported vehicles reached USD1.2 billion ,up nearly 3 times over the same period . The jump in imported vehilces (especially heavy vehicles) value has been attributed to increasing demand for goods transport and the truckload control policy.

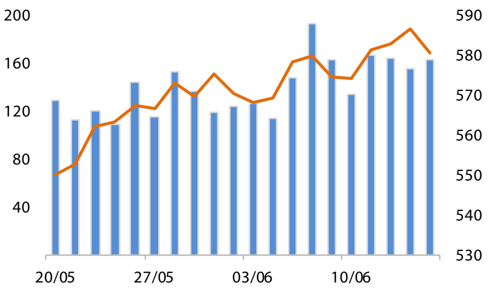
Blue-chips tumbling dragged both indices down

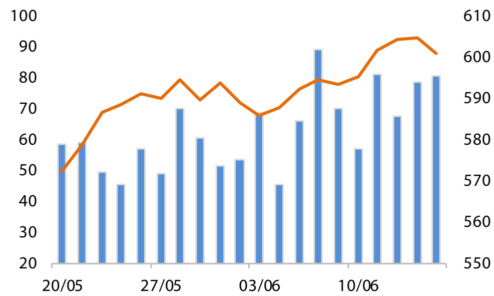
Strong selling pressure at the end of the trading session and the declines of most of the large-cap stocks are considered the main causes pushing HSX and HNX decreased by 1.05% and 1.09%. Specifically, bank stocks could not reamin the exciting trading seen at the start of the session till the end. While the ACB, VCB, CTG, BID closed in "red" and STB, EIB, SHB, NVB stayed "unchanged", while the MBB continued momentum from yesterday with an increase of 2%. Moreover, the decline of VNM, FPT and MSN and oil stocks including GAS, PVD or PVS caused the fall of VNIndex stronger. From another perspective, the confirmation from JVC leaders seem not enough to revive the confidence of investors as the stock continued to fall to daily lowest price and virtually no transactions taken place approaching the end of the afternoon session .

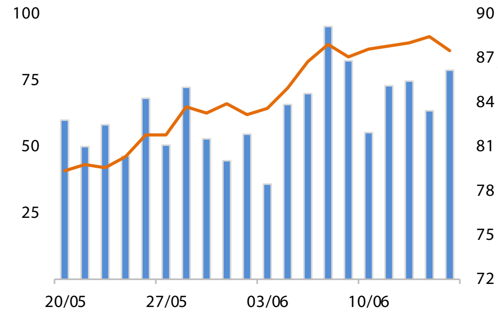
As a familiar motifs, the market tumblings are chances for foreign investors to buy bargain shares. In fact, foreign investors turned net buyers on both exchanges today with the net value of VND 59 billion. Shares that were strongly purchased today are STB (

VND9.7 billion) , CTG (VND 8.2 billion) and ITA (VND7.5 billion) . However, the relatively high liquidity of more than VND3,100 billion on both exchanges showed bottom catching demand remains in the market.

VNINDEX	-1.05%	580.35	VN30	-0.60%	600.92	HNXINDEX	-1.09%	87.40

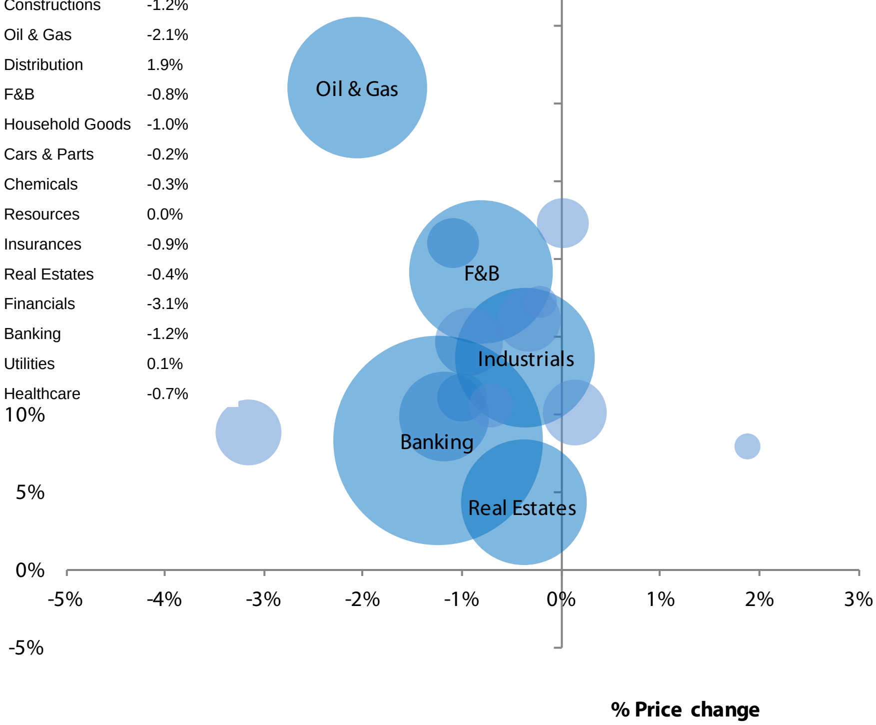




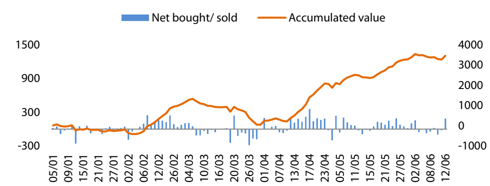


Industry Movement

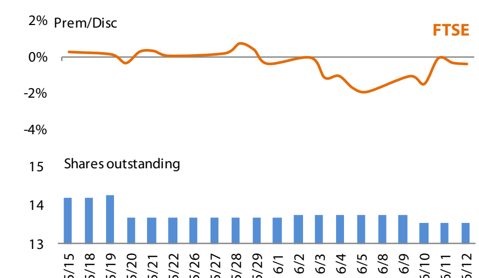
Industry	% change
Technologies	-1.1%
Industrials	-0.4%
Constructions	-1.2%
Oil & Gas	-2.1%
Distribution	1.9%
F&B	-0.8%
Household Goods	-1.0%
Cars & Parts	-0.2%
Chemicals	-0.3%
Resources	0.0%
Insurances	-0.9%
Real Estates	-0.4%
Financials	-3.1%
Banking	-1.2%
Utilities	0.1%
Healthcare	-0.7%

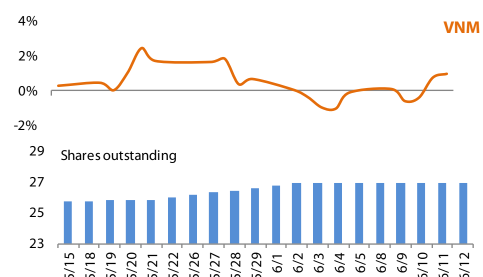


Foreign Investors Trading



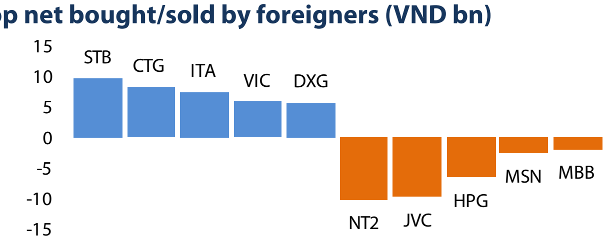
ETF



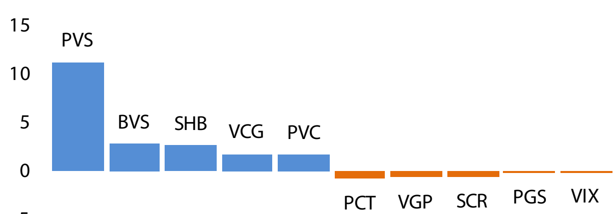


Top net bought/sold by foreigners (VND bn)

HSX



HNX



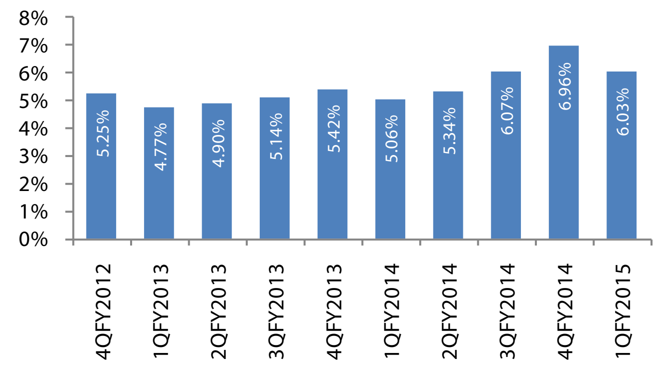
Top Active

Ticker	Price	Volume	% price change
FLC	9.1	32.60	-4.2%
CII	22.6	8.70	-2.2%
MBB	15.1	8.53	2.0%
HAI	9.6	4.49	-4.0%
SSI	23.5	4.48	-2.5%

Ticker	Price	Volume	% price change
FIT	15.1	11.72	-9.6%
SCR	8.1	7.46	2.5%
KLF	7.5	4.37	-1.3%
SHB	8.3	4.14	0.0%
HUT	12.9	2.79	0.8%

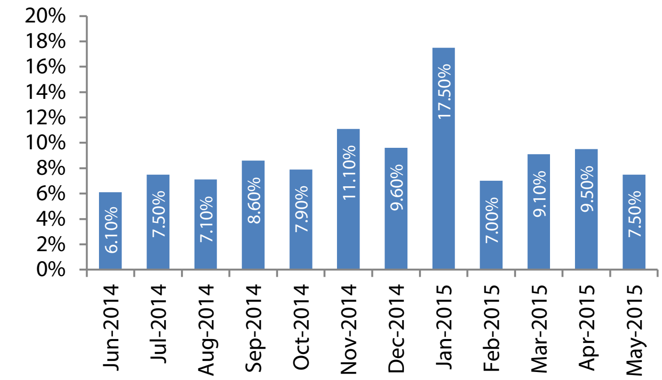
MACRO WATCH

Graph 1: GDP Growth



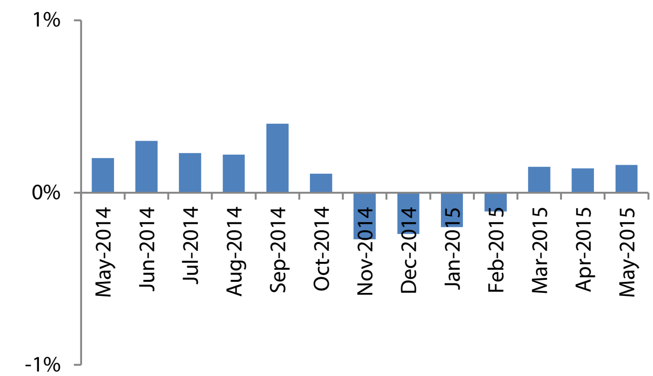
Sources: GSO. Rongviet Securities database
(*) Comparision price in 1994

Graph 2: IIP



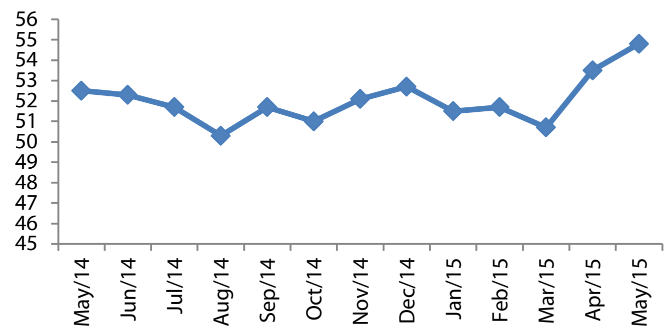
Sources: GSO. Rongviet Securities database

Graph 3: Monthly CPI



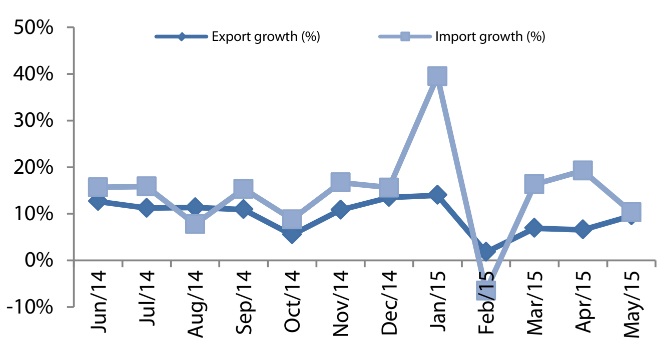
Sources: GSO. Rongviet Securities database

Graph 4: HSBC - PMI



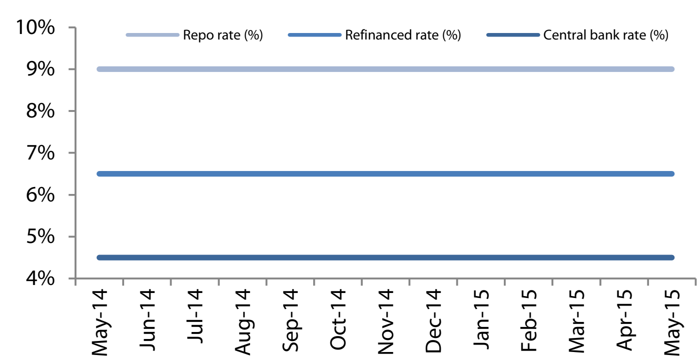
Sources: GSO. Rongviet Securities database

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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