JUNE

25

THURSDAY

ADVISORY DIARY

- **Upcom market: opportunity for calm investors**

Upcom market: opportunity for calm investors

Recently, State Security Commission of Vietnam (SSC) has approved to raise the price range of Upcom stocks on HNX from ± 10% to ± 15%, which will formally apply on July 1, 2015. Before this important change, we have discussed with some experienced brokers in Upcom market of RongViet Securities.

After the conversation, I realize that many investors can take high return in Upcom market if having reasonable strategy and specific objectives before investing. Investments in Upcom market seems as inseminating activities. Seeds need time for absorbing natural nutrients and bloom. Investors often get "sweet fruits" silently, incidentally and not as "loudly" as in the official markets (HSX, HNX). When investing in Upcom, it's shared to keep long-term strategy and accept to purchase in different sessions with low volume because of low liquidity. At the same time, suitable funds for investing on Upcom are savings to avoid being affected by price movements. Particularly, large-scale investments in Upcom are often supported by professional brokers and implemented via tender offers.

Back to the market, today saw a small market correction (VNIndex down 2.03 points and HNIdex down 0.02 points). The absence of leading group stock and profit taking pressure kept VNIndex below 590 mark. Simultaneously, selling pressure from foreign investor group (totaling VN560 billion in 3 consecutive sessions) remained a big hurdle for the index recovery. Nonetheless, as we said in Advisory Diary dated June 19 2015, the profit taking money seems to stay cautiously watching the market from the sideline for the time being (VND 2,090 billion in average trading value per session). Hence, the correction looks inevitable after a rally seen from Mid-May (with almost 50 points increase). However, optimistic macro readings in June and gradual release of enterprise's 2Q results would expectedly be absorbed by the market and could motivate the cash flow again. So, market trading liquidity could likely improve soon.

"Upcom market: opportunity for calm investors"

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Table: Selected stocks on Upcom

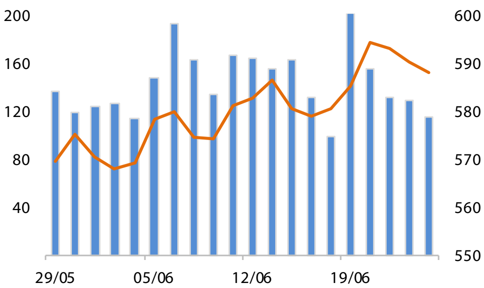
<table>
<tr><th>Sticker</th><th>Company</th><th>2015 dividend payout guidance</th><th>2014 dividend payout</th><th>2015 PAT guidance</th><th>Diluted EPS (VND)</th><th>Diluted P/E (x)</th><th>P/B</th><th>ROE (%)</th><th>ROA (%)</th><th>2014 PAT (billion dong)</th><th>PAT stability (**)</th><th>3-yr PAT growth</th><th>Average 3-month volume</th></tr>
<tr><td>VFC</td><td>Vinafco JSC</td><td>N/A</td><td>20%</td><td>8.89(*)</td><td>2,271</td><td>4.2</td><td>0.7</td><td>17.2</td><td>9.8</td><td>76.3</td><td>1.3</td><td>15.5</td><td>3,719</td></tr>
<tr><td colspan="14">- Increase in domestic trade activities as Vietnam economy recovers
- 2014 saw the company record extraordinary profit from investment divestment in associate (~ VND 68.3 billion)
- 2015 PBT target is VND8.89 billion (down from previous year PBT – excluded extraordinary profit). Despite that, the company's growth potential looks positive by investments to expand core -operation capacity.</td></tr>
<tr><td>DNL</td><td>Dang Nang Logistics JSC</td><td>12%</td><td>10%</td><td>5.07</td><td>1,454</td><td>8.1</td><td>1.0</td><td>13.4</td><td>12.1</td><td>4.4</td><td>1.0</td><td>2.1</td><td>1,112</td></tr>
<tr><td colspan="14">- Core-businesses include stevedoring operation, warehousing services and logistics
- Positive growth potential from overall pick-up in economic activity.
- 2015 PAT target is VND4.68 billion, up 6% to 2014</td></tr>
<tr><td>SMB</td><td>Sai Gon - Mien Trung Beer JSC</td><td>14%</td><td>13%</td><td>77(*)</td><td>2,201</td><td>8.1</td><td>1.4</td><td>17.4</td><td>8.2</td><td>65.7</td><td>0.3</td><td>0.4</td><td>2,296</td></tr>
<tr><td colspan="14">- Improving revenue thanks to the outsourcing of Pepsi product
- A capacity increase of Quy Nhon factory (from 20 million to 50 million liters) and the Dal Lak brewery (70 million liters)
- The 2015 revenue and PAT planned respectively VND 1,201.57 billion and 59.3 billion. These plane figures and production & consumption volume are lower than 2014 implement (The performance surpassed the plan in 2014)</td></tr>
<tr><td>ABI</td><td>Agriculture Bank Insurance JSC</td><td>12%</td><td>12%</td><td>100(*)</td><td>3,033</td><td>3.6</td><td>0.8</td><td>23.2</td><td>10.9</td><td>115.2</td><td>0.4</td><td>0.3</td><td>2,517</td></tr>
<tr><td colspan="14">- Non-life insurance industry began to recover from 2014
- Business activity stabilized (growth compared to 2013 in terms of revenue, profit after tax, assets, ROE and ROA), sound financial health (solvency margin payments rise above 250%, the rate of compensation in 2014 only about 30 %)
- Dividends steady, better dividend yield than the current interest rate level</td></tr>
<tr><td>ADP</td><td>A Dong Paint JSC</td><td>18%</td><td>25%</td><td>29.64</td><td>5,381</td><td>5.6</td><td>1.7</td><td>33.6</td><td>21.9</td><td>34.4</td><td>0.2</td><td>0.3</td><td>2,890</td></tr>
<tr><td colspan="14">- The plant has been operating at maximum capacity so that the company plans to build new factories and relocated existing facility in District 8, HCM. Phase 1 of the new plant has a design capacity of 10,000 tonnes / year (82 % higher than the existing plants). The new plant is financed entirely by equity.
- 2014 dividend is quite attractive with 25 % cash dividend and bonus of 2: 1. Besides, based on positive earnings in the first 5 months, the company decided to advance 10 % cash dividend for 2015.</td></tr>
<tr><td>STV</td><td>VietNam Stone Work - Top Fabrication JSC</td><td></td><td>6%</td><td>19.18(*)</td><td>2,955</td><td>3.2</td><td>0.7</td><td>17.4</td><td>12.6</td><td>13.3</td><td>0.2</td><td>0.3</td><td>4,630</td></tr>
<tr><td colspan="14">- Revenues and profits have continuous growth in the 2011-2014 period
- Plan in 2015 with revenue and profit after tax increased by 59.22 % and 33.09 respectively versus 2014 figures
- Healthy financial situation and there is no debt.</td></tr>
<tr><td>SPC</td><td>Sai Gon Plant</td><td>15%</td><td>10%</td><td>28.06</td><td>2,045</td><td>6.9</td><td>1.0</td><td>14.4</td><td>4.3</td><td>21.5</td><td>0.2</td><td>0.2</td><td>3,910</td></tr>
</table>

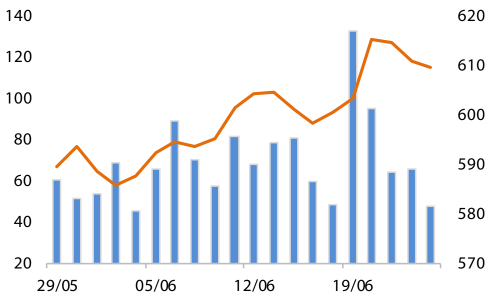
	Protection JSC												
- The benefit from the growth prospect of agricultural sector - The planed PAT in 2015 is 30% as high as the 2014 implement.													
WSB	**Saigon Beer Western JSC**	25%	25%	65.66	7,028	5.3	1.2	25.3	9.6	97.0	0.2	0.1	2,879
- The significant growth potential in Vietnamese beer industry and the recovery of consumer confident index cooperate to push output. - The benefit of the downtrend price of raw material. However, this material depends on the Sabeco supplier, reducing this advantage. - Planed 2015 performance cautiously although 2014 revenue and PAT grew respectively 135% and 60% yoy													
MTH	**Ha Dong Environment Public Service JSC**	10%	10%	18(*)	9,132	3.2	1.3	27.0	11.1	13.5	0.1	-	1,641
-Stable business results in recent 3 years -Steady cash dividend yield													
BTW	**Ben Thanh Water Supply JSC**		12%		2,360	7.0	1.1	15.1	11.8	22.1	0.1	-	1,314
- Stable business in accordance with utilities sector (water supplier) - Maintaining stable cash dividend in range of 12-15%													
G20	**GHome Textile Investment JSC**	10%	5%	12.0	1,603	7.6	1.1	8.6	2.4	5.8	1.4	N/A	2,467
- Benefit from overall industry outlook - Plan to be listed on HNX was passed at the 2015 AGM. And issue 4.8 million shares to existing shareholders at VND10,000/share - 2015PATguidance is double the 2014 figure													

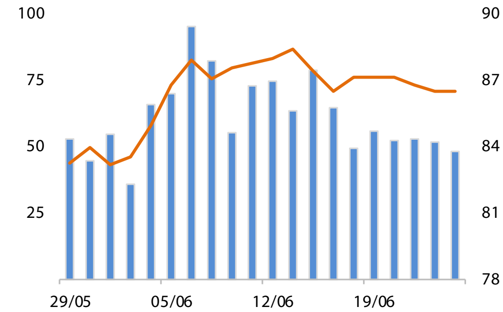
(*): 2015PBT guidance

(**): PAT stability = standard deviation of 3-year PAT / average of 3-year PAT

VNINDEX	-0.34%	587.99	VN30	-0.20%	609.49	HNXINDEX	-0.02%	86.44

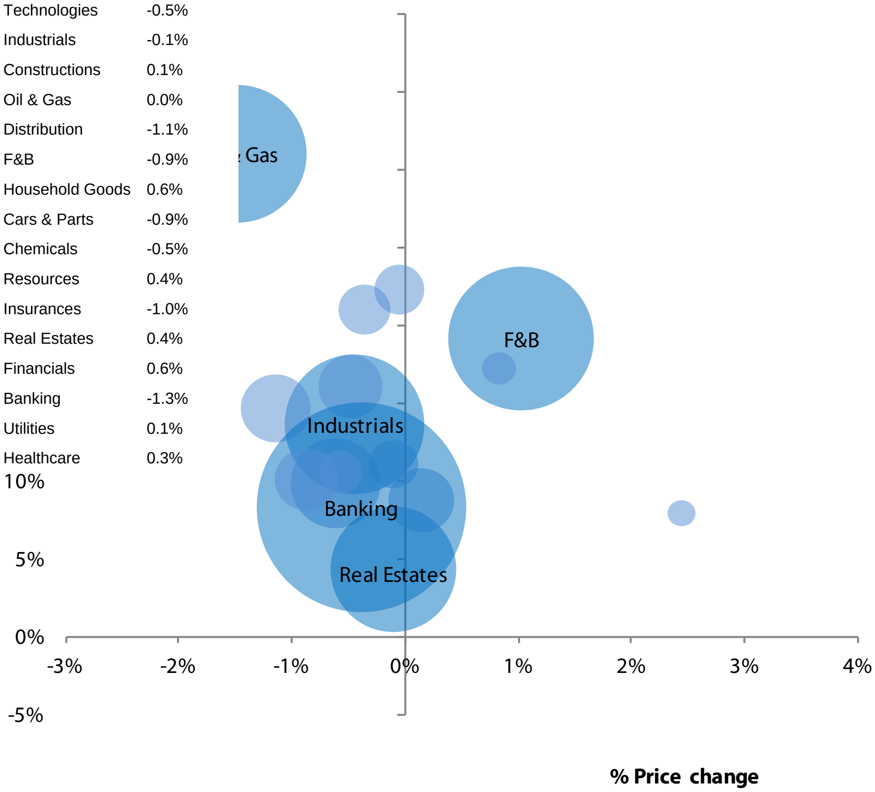




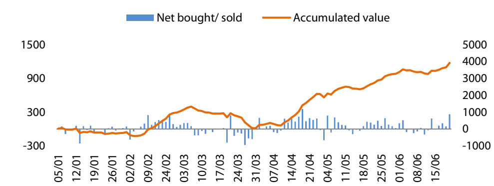


Industry Movement

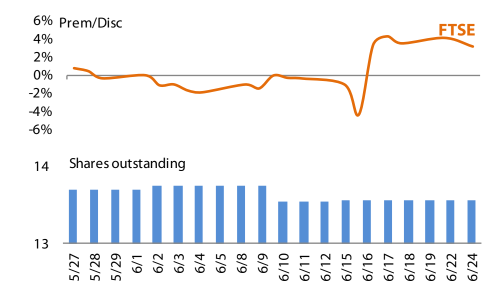
Industry	% change
Technologies	-0.5%
Industrials	-0.1%
Constructions	0.1%
Oil & Gas	0.0%
Distribution	-1.1%
F&B	-0.9%
Household Goods	0.6%
Cars & Parts	-0.9%
Chemicals	-0.5%
Resources	0.4%
Insurances	-1.0%
Real Estates	0.4%
Financials	0.6%
Banking	-1.3%
Utilities	0.1%
Healthcare	0.3%

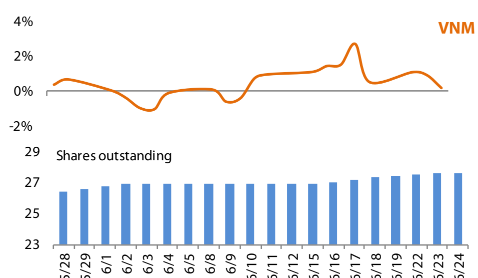


Foreign Investors Trading



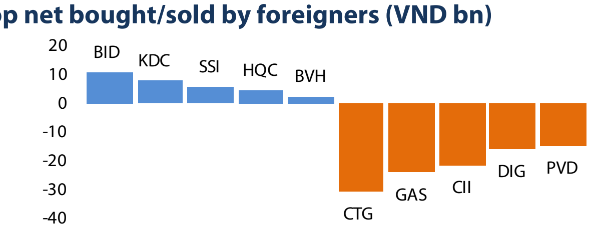
ETF



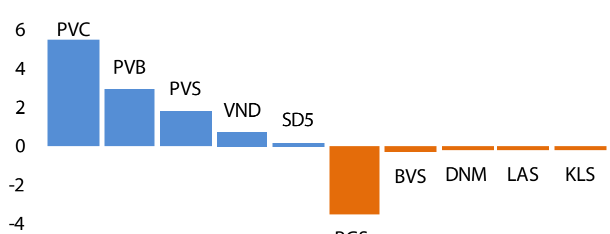


Top net bought/sold by foreigners (VND bn)

HSX



HNX



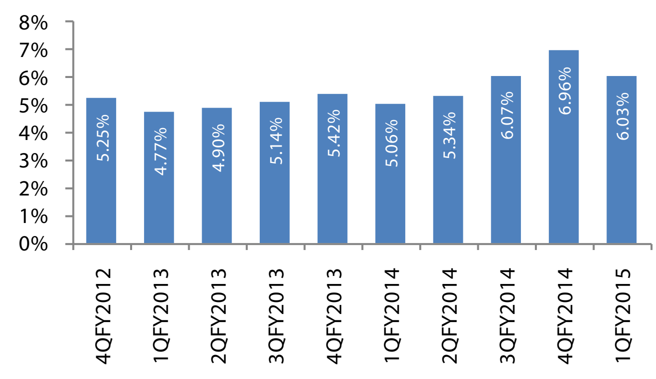
Top Active

Ticker	Price	Volume	% price change
FLC	8.6	17.15	-3.4%
OGC	2.8	7.41	3.7%
MBB	15.4	4.04	-1.3%
CTG	19.9	3.86	-2.0%
JVC	9.9	3.84	-6.6%

Ticker	Price	Volume	% price change
FIT	12.7	8.18	-2.3%
SCR	8.6	4.74	-1.1%
PVX	4.0	3.16	-4.8%
KLF	7.0	2.48	-1.4%
VIX	10.5	1.94	-4.5%

MACRO WATCH

Graph 1: GDP Growth

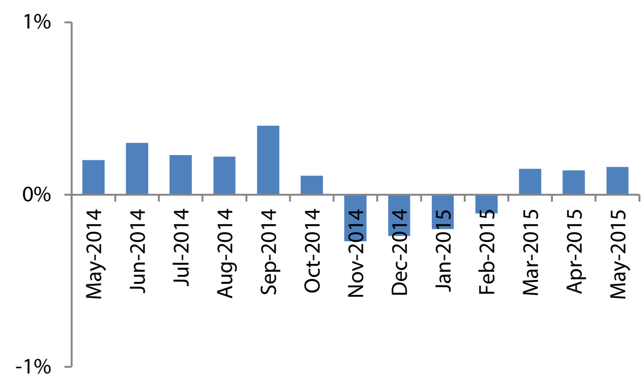


Sources: GSO. Rongviet Securities database
(*) Comparision price in 1994

Graph 2: IIP

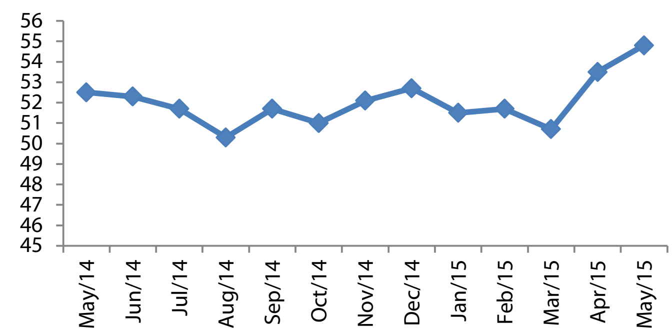
Sources: GSO. Rongviet Securities database

Graph 3: Monthly CPI



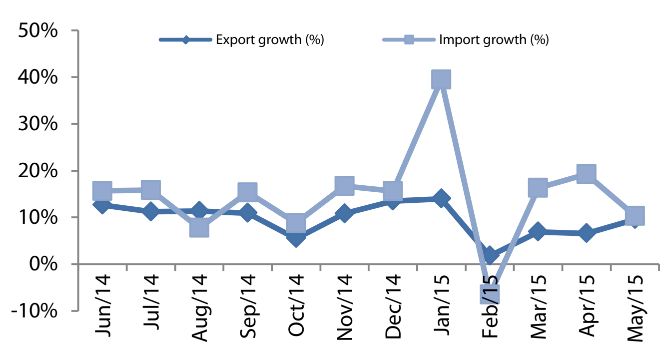
Sources: GSO. Rongviet Securities database

Graph 4: HSBC - PMI



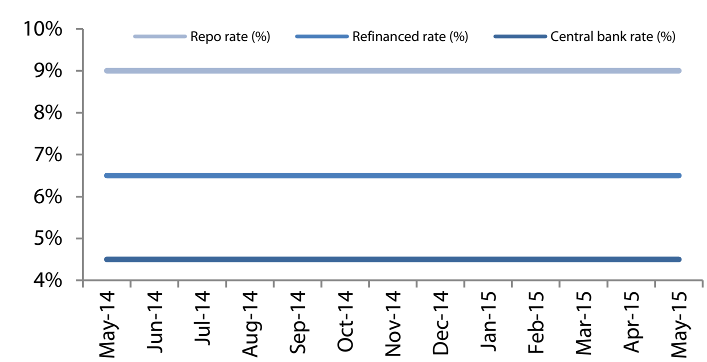
Sources: GSO. Rongviet Securities database

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	16/06/2015	0% - 0.75%	0% - 2.5%	11,620	11,627	-0.06%
VEOF	16/06/2015	0% - 0.75%	0% - 2.5%	9,740	9,463	2.93%
VF1	19/06/2015	0.2% - 1%	0.5%-1.5%	21,904	21,861	0.20%
VF4	17/06/2015	0.2% - 1%	0%-1.5%	9,736	9,678	0.59%
VFA	19/06/2015	0.2% - 1%	0%-1.5%	7,289	7,312	-0.32%
VFB	19/06/2015	0.3% - 0.6%	0%-1%	12,167	12,170	-0.02%
ENF	12/06/2015	0% - 3%	0%	11,156	11,006	1.36%
MBVF	18/06/2015	1%	0%-1%	10,551	10,541	0.09%
MBBF	17/06/2015	0%-0.5%	0%-1%	12,120	12,139	-0.16%

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