JULY

20

MONDAY

ADVISORY DIARY

- **The market fell sharply from the resonance of the negative news and take-profit trend**
- **SVC Company Update report - Firing up the engine**

The market fell sharply from the resonance of the negative news and take-profit trend

As mentioned in 17/07/2015 Advisory Note, bearish trend drove markets today with VNIndex's volatility around 14 points. VNIndex closed at 8.1 pts (1.3%) and HNIndex closed 1.1 pts (1.3%). Dismissal of PetroVietnam's Chairman of Board of Directors negatively affected Oil & Gas stocks as most of which declined, noticeably GAS (-3.2%), PVD (-2.7%), PVS (-1.8%) and PXS (-5.0%). Also, liquidity observed a significant drop of 12.9%. Cash flow into market was low as total value of matching transaction fell 18.5% compared to last week average. Meanwhile, foreign investors turned to net buyers to the tune of VND22.7 billion after two consecutive net selling sessions last week.

Regarding to the earning results of listed companies, Licogi 16 JSC (LCG - HSX) has announced positive earnings results of 6M/2015. The Revenue of 6M/2015 of LCG reached VND614 bn, an increase of 40.7% over the same period and profit after tax reached VND29 bn, up 22% yoy and by 58% of the plan. According to our industry analyst, the reasons of the positive growth in earnings of LCG include (1) the positive outlook of the construction industry, particularly in the segment of transportation infrastructure construction and electrical construction, (2) the improvement in gross profit margin. However, positive earnings information has not affected the stock price when the LCG was down by 1.2%. According to the latest report, LCG is priced at a reasonable price at 9,400 VND/share, 16% higher than the today closing price.

"The market fell sharply from the resonance of the negative news and take-profit trend"

In 1H2015, DHG had a non-positive performance when revenue and PAT respectively reached VND 789 billion (-18.5%) and 180 billion (-5.8%), completed 20% and 25% of 2015 plan. Under competitive pressure of OTC segment, boosting sales for large-scale enterprises as DHG has become more difficult. However, performance will push in the end of the year due to seasonal feature. Thus, we expect an improvement in second half.

In addition, HAGL Agrico (HNG – HSX) had a successful initial trading session with the closing price to be 33,500 d/share, near the ceiling price. In 2015, the Company planned to achieve VND 6,174 billion in revenue (+79% y.o.y) and VND 1,500 billion in profit before tax (+95% y.o.y). The Company also asserted that profit before tax in 1H2015 reached CND 590 billion and major contribution to profit could come from beef cattle segment. Expected in the last 6 months of 2015, HNG could sell 60,000 cows and earn VND 821 billion in profit before tax. This segment could also significantly contribute to revenue for at least 3 years and be considered the compensation for the volatility of other commodities such as rubber, sugar cane, palm oil. If basing on 2015 plan, EPS could reach 2,000 d/share. Under today closing price, P/E of HNG is traded at 16x. Although this figure is not relatively low, under long-term prospect with the recovery of HNG's commodity, the Company could be worthy of consideration.

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According to our assessment, the skepticism from investors about such information could continue. Therefore, negative sentiment could be prolonged and make the impact on stock price during tomorrow trading session. However, we believe that there is relatively good demand during certain period when the market significantly dropped. Moreover, net buy position from foreign investors could be the positive support for the markets. As our recommendation from last week, investors should be more decisive about selling in order to achieve appropriate cash and stock ratio (50-50).

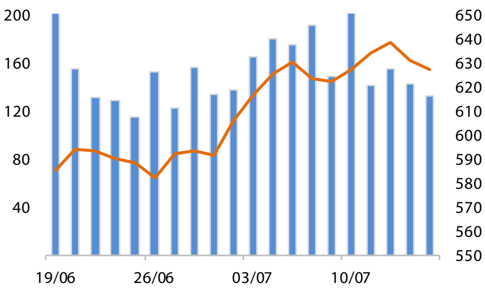
SVC Company Update report - Firing up the engine

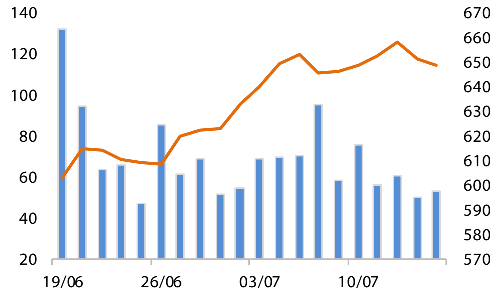
In contrast to lagging parts like taxi and real estate, auto retail is a bright spot in SVC's operating picture. Of the Company's many strengths, a decent annual growth rate in auto distribution and a widespread and standardized showroom system are factors that guarantee SVC positive mid and long-term growth. As a matter of fact, cash flows from operation have improved remarkably in recent periods.

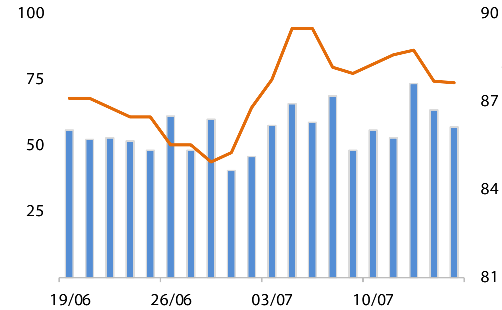
To consolidate the bases for future growth, SVC has been actively divesting from the real estate and motorbike retail businesses in order to refocus of its core businesses. However, the firm's substantial land-bank has been the main reason for the slow and somewhat unfruitful restructuring process. We believe SVC can upgrade its current financial status if the company manages to push the liquidation of certain real estate projects for positive cash inflows.

Combining different valuation methods with careful examination of industry risk, we believe the reasonable price for SVC's stock is **VND24,118/share**, 19,3% higher than the closing price on 07/07/2015 and thus recommend **ACCUMULATE** this stock in the **INTERMEDIATE TERM.**

VNINDEX	-1.29%	620.54	VN30	-1.05%	644.19	HNXINDEX	-1.31%	85.93

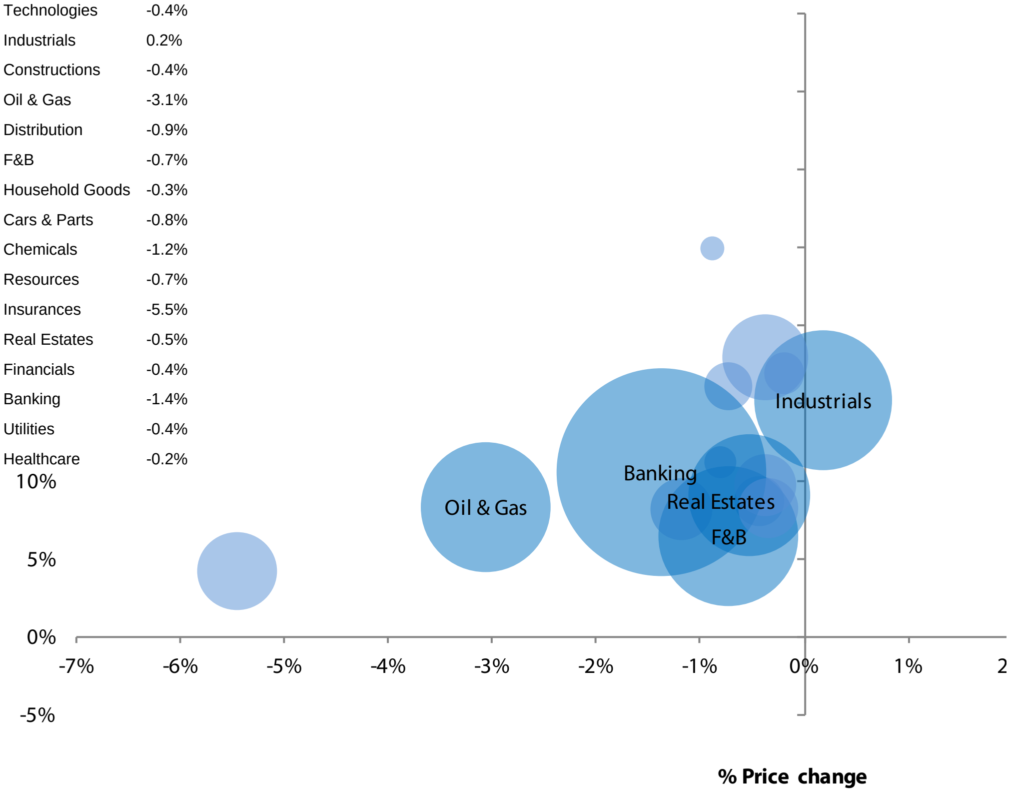




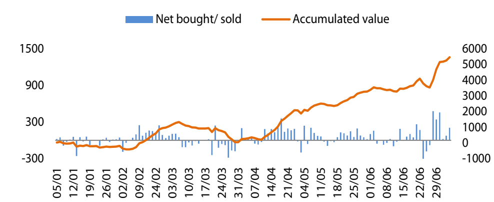


Industry Movement

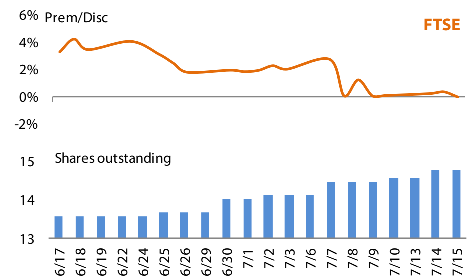
Industry	% change
Technologies	-0.4%
Industrials	0.2%
Constructions	-0.4%
Oil & Gas	-3.1%
Distribution	-0.9%
F&B	-0.7%
Household Goods	-0.3%
Cars & Parts	-0.8%
Chemicals	-1.2%
Resources	-0.7%
Insurances	-5.5%
Real Estates	-0.5%
Financials	-0.4%
Banking	-1.4%
Utilities	-0.4%
Healthcare	-0.2%

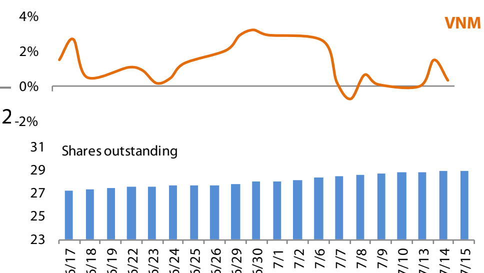


Foreign Investors Trading



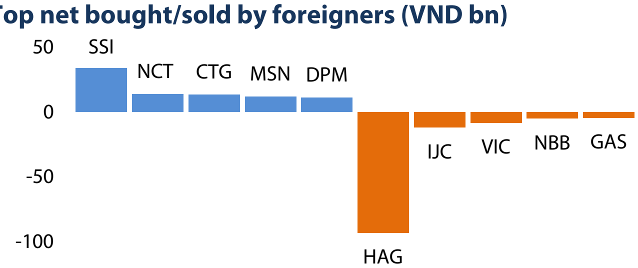
ETF



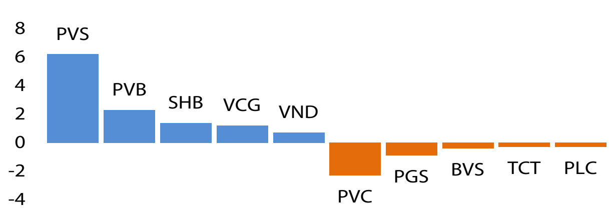


Top net bought/sold by foreigners (VND bn)

HSX



HNX



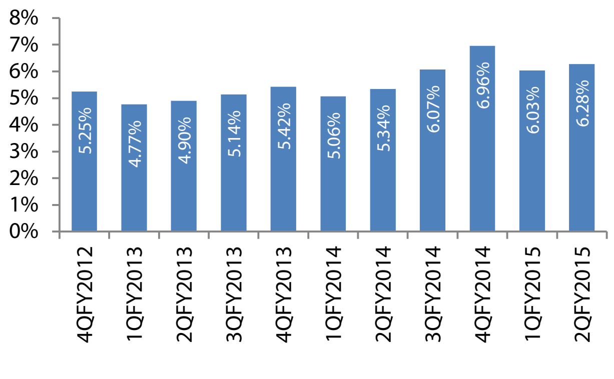
Top Active

Ticker	Price	Volume	% price change
OGC	2.7	9.95	3.8%
FLC	8.2	5.74	-3.5%
MBB	15.9	5.72	-0.6%
SSI	26.2	4.50	0.8%
CII	25.5	4.33	-4.1%

Ticker	Price	Volume	% price change
SHB	8.7	5.18	-3.3%
KLF	6.4	4.25	-3.0%
SCR	8.8	3.44	-1.1%
PVX	3.8	2.90	-2.6%
KVC	28.4	2.62	-0.4%

MACRO WATCH

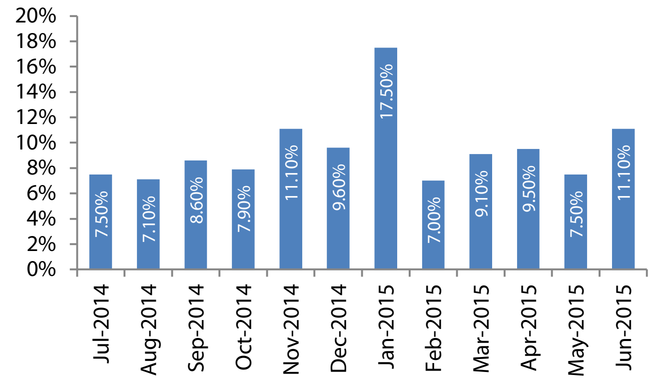
Graph 1: GDP Growth



Sources: GSO. Rongviet Securities database

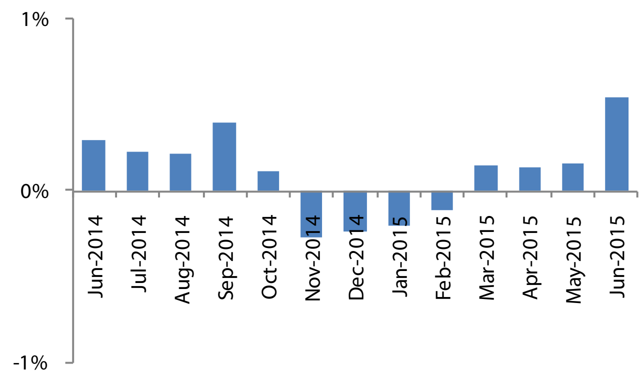
(*) Comparision price in 1994

Graph 2: IIP



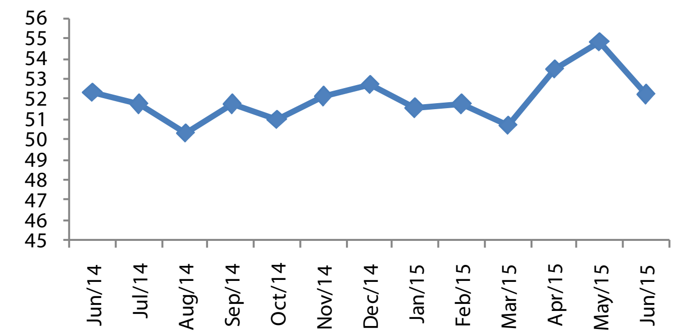
Sources: GSO. Rongviet Securities database

Graph 3: Monthly CPI



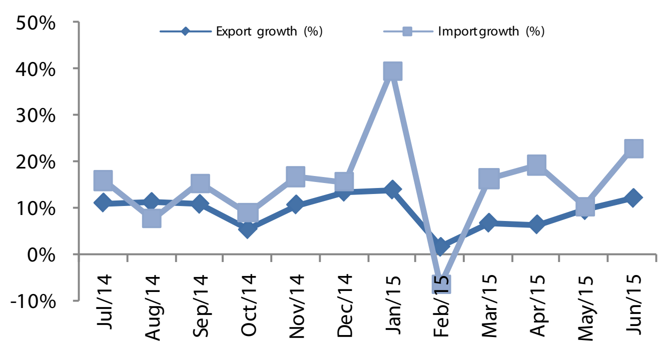
Sources: GSO. Rongviet Securities database

Graph 4: HSBC - PMI



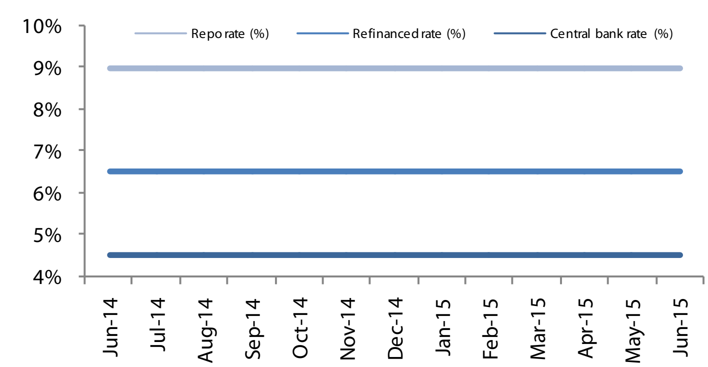
Sources: GSO. Rongviet Securities database

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
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
PGS - Favorable time to grow	July 10th, 2015	Buy – Intermediate term	27,000
DNP - Cash flowing in pipes	July 09th, 2015	Buy – Long term	21,900
BMI - Solid base for a bright future	July 08th, 2015	Accumulate – Long term	22,800

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	07/07/2015	0% - 0.75%	0% - 2.5%	11,750	11,729	0.18%
VEOF	07/07/2015	0% - 0.75%	0% - 2.5%	10,022	9,821	2.05%
VF1	16/07/2015	0.2% - 1%	0.5%-1.5%	23,097	23,391	-1.26%
VF4	15/07/2015	0.2% - 1%	0%-1.5%	10,591	10,578	0.12%
VFA	10/07/2015	0.2% - 1%	0%-1.5%	7,579	7,426	2.06%
VFB	10/07/2015	0.3% - 0.6%	0%-1%	12,233	12,211	0.18%
ENF	10/07/2015	0% - 3%	0%	11,584	11,424	1.40%
MBVF	09/07/2015	1%	0%-1%	10,530	10,563	-0.31%
MBBF	08/07/2015	0%-0.5%	0%-1%	12,157	12,133	0.20%

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