JULY

10

FRIDAY

ADVISORY DIARY

- **Markets face sentiment challenge**
- **Company update: Petrovietnam Southern Gas JSC (PGS– HNX)**

Markets face sentiment challenge

Money flew into different sectors (Bank, Oil & Gas, Securities, Insurance, Real Estate) and capitalization groups. Towards the end of this week, it became clear that profit takers withdrew a large portion of capital from large caps and engaged in mid/small caps (the possibility of withdrawing capital did not participate in market is low because liquidity remained relatively steady).

Today, RongViet Research believes the capital started to flow into mid/small cap stocks. Particularly, mid/small cap stocks on HSX recorded an increase by 1.07% and 0.01% respectively. Hanoi stock exchange also achieved 0.34% increase in this group. Investors seemed to be more decisive even though there could not be any generosity. We could easily recognize that liquidity was positive on today trading session (total trading value reached 4,000 billion dong), while put through trading accounted for 26% of total trading value in both stock markets.

EIB was the notable stock on HSX on today trading session when total trading value achieve 41 million shares, 40 million shares were under put through trading. Also in banking segment, CTG (+6.19%) and MBB (+3.16%) attracted optimistic cash flow while VCB (referred price) demonstrated the "exhaustion" compared to previous session on 09/07. Insurance segment continued to experience significant increase with 7/8 gainers. 5 of them were BVH, BMI, BIC, PGI, PVI going ceiling.

"Markets face sentiment challenge"

Insurance sector – savior of China stock market?

Further discussion about Insurance industry, it holds an important role in economy and is considered as a defensive group in securities market. Among Asian insurance emerging market, China is the highest rating one. Recently, The China Insurance Regulatory Commission (CIRC) has allowed insurance companies which have lent money to brokerages through stock-related businesses such as stock pledged to negotiate new deadlines for repayment as well as not to demand early payment to prevent stock sold off. Besides, CIRC also increased the limits to 10% of total assets, which is double the previous one of 5% for insurance companies to invest into one single blue chip. Moreover, insurers which have reached the limit of 30% investment into blue chips will have another 10%. Last but not least, CIRC also urged insurers to use billions Yuan for blue chips and large caps. The Shanghai Composite Index reacted positively to these effects as it has bounced up 5.8% on 09/07/2015 after a steep drop 30% since mid-June.

Regarding Vietnam stock market, when mid/small cap stocks take a role of support group and not a leading group, market requires support from large capitalization group. Previously, VNIndex had 4 times approaching 640 points, however, with only one succeed in 11/2006. At this time, indices take a role as a support "sentiment" and investors needs to select and carefully consider between quality and quantity.

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Company update: Petrovietnam Southern Gas JSC (PGS– HNX)

Petrovietnam Southern Gas JSC (PGS) is the leading LPG and CNG distributor in the South of Vietnam. At the end of 2014, the company managed to achieve the year's business target despite adverse plunge in world's oil prices. Since 1Q2015, PGS's business performance has been benefited by changes in CNG input price formula and stable LPG profit margin. We expect these two factors would continue to sustain the company's positive performance in 2015. In addition, CNG business prospect looks brighter this year with increase in demand from existing customers and newly signed contracts. However, the fluctuation in revenue and profit (usually in Q4) along with unpredictable movements of global oil price could lead to the insecure perspective from us. As a result, we still use cautious discount factor for valuation ratios.

We believe PGS's business result could achieve a 10% in annual growth during 2016-2020 based on the new price level of crude oil. Therefore, we have determined the reasonable price for PGS stock at VND **27,000 per share** (or 22.17% higher than closing price on 10/7/2015 of VND 22,100 per share) and rate the stock as **BUY** in **INTERMEDIATE** term.

WEEKLY TECHNICAL VIEW

VN-Index

VN-Index added 10,85 points (or 1,76%), closed at 627,28. Trading volume increased 25,7% up to 788 million shares.

VN-Index kept rising and reached 633 twice and then corrected. The liquidity maintained at high level. VN-Index is now quite far from its EMA(26), therefore a correction may be happened at this stage. Traders should look for a retracement to 602-605 area in a short term. In a longer term, the uptrend of VN-Index is still solid.

Looking at technical indicators, both the MACD and the RSI kept moving up but their strength is decreasing. The MACD histogram lowered while the RSI retreated a little from the overbought territory.

Traders should look for a double top pattern that might be forming.

HNX-Index

HNX-Index gained 0,54 points (or 0,61%), closed at 88,24. Trading volume rose 18% with 284 million shares changed hands.

HNX-Index reached the 90 threshold to make a higher high but on a lower volume and then turned down. Negative divergences between HNX-Index and indicators such as MACD and RSI appeared. A double top pattern may be formed.

The ADX indicator is weakening, showing that the uptrend of HNX-Index is slowing down.

Next week, traders should look for a move down to 85-86 area where HNX-Index is supported by its EMA(26) and SMA(200).

Recommendation:

Both VN-Index and HNX-Index turned down on heavy volumes and then recovered slightly. Traders should take profits partly and wait for stocks at lower prices.

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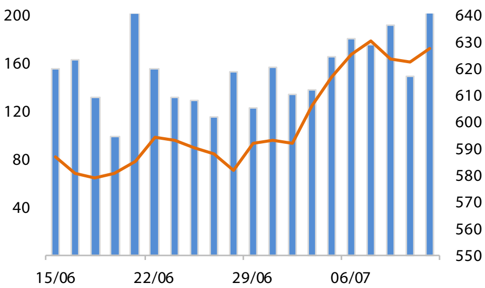
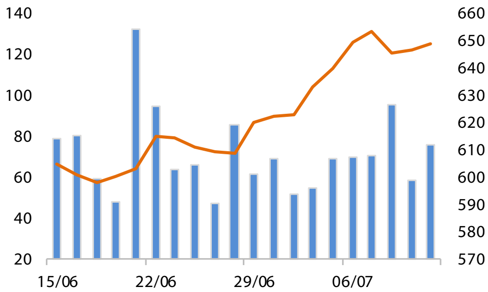
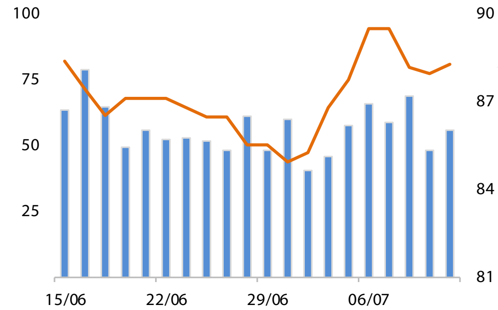
VNINDEX	0.83%	627.28	VN30	0.33%	648.73	HNXINDEX	0.36%	88.24

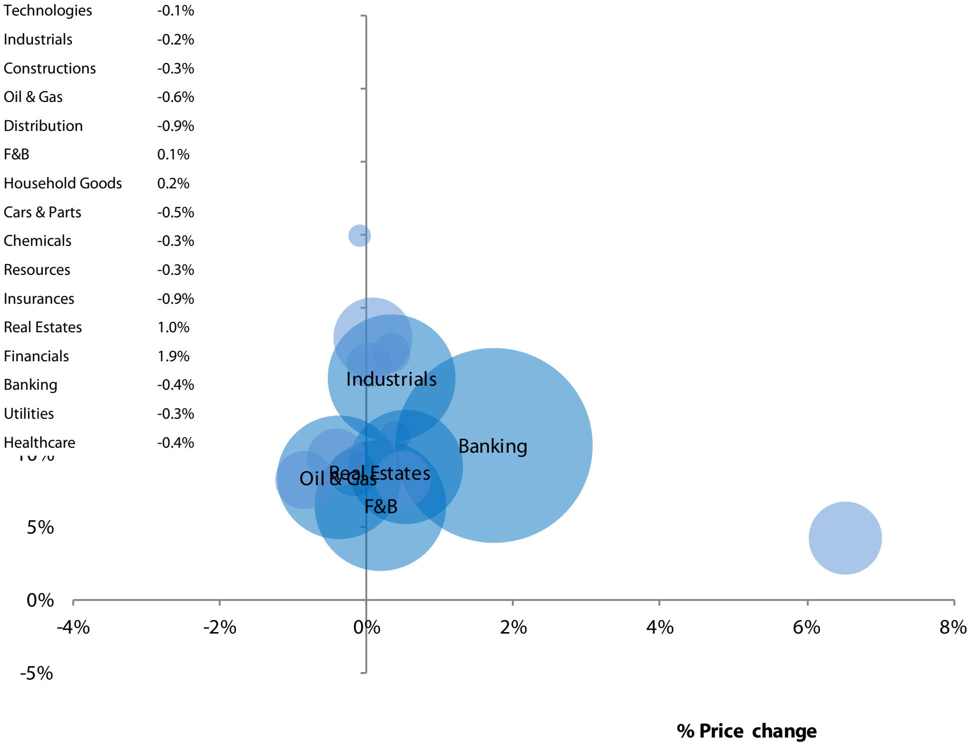




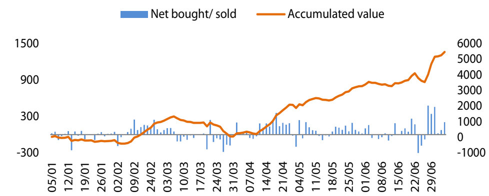


Industry Movement

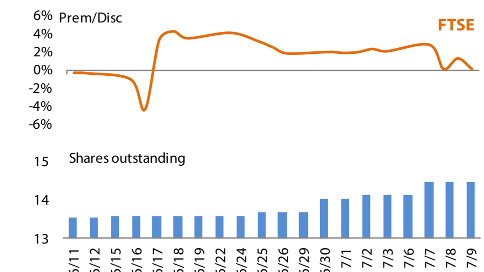
Industry	% change
Technologies	-0.1%
Industrials	-0.2%
Constructions	-0.3%
Oil & Gas	-0.6%
Distribution	-0.9%
F&B	0.1%
Household Goods	0.2%
Cars & Parts	-0.5%
Chemicals	-0.3%
Resources	-0.3%
Insurances	-0.9%
Real Estates	1.0%
Financials	1.9%
Banking	-0.4%
Utilities	-0.3%
Healthcare	-0.4%

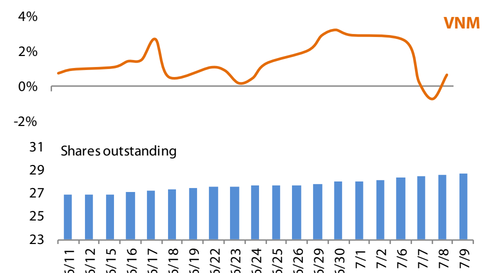


Foreign Investors Trading



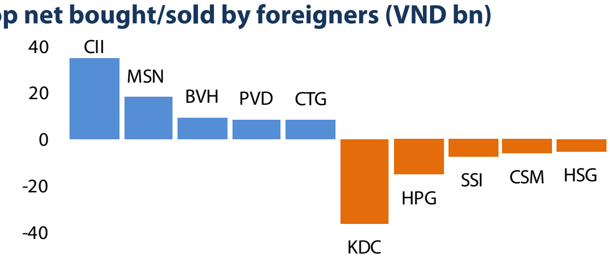
ETF



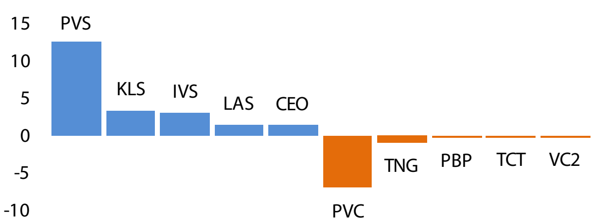


Top net bought/sold by foreigners (VND bn)

HSX



HNX



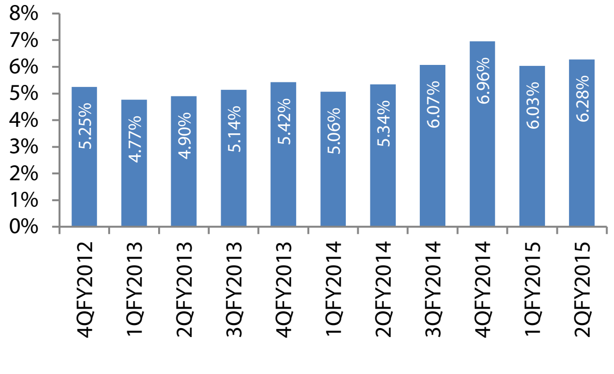
Top Active

Ticker	Price	Volume	% price change
OGC	2.5	17.39	0.0%
MBB	16.3	16.77	3.2%
HAI	10.1	9.27	-6.5%
FLC	8.4	6.38	-1.2%
CTG	22.3	5.60	6.2%

Ticker	Price	Volume	% price change
SCR	8.9	5.79	3.5%
FIT	12.7	4.26	0.0%
KLS	10.0	3.65	4.2%
KLF	6.8	3.57	0.0%
SHB	8.9	2.77	1.1%

MACRO WATCH

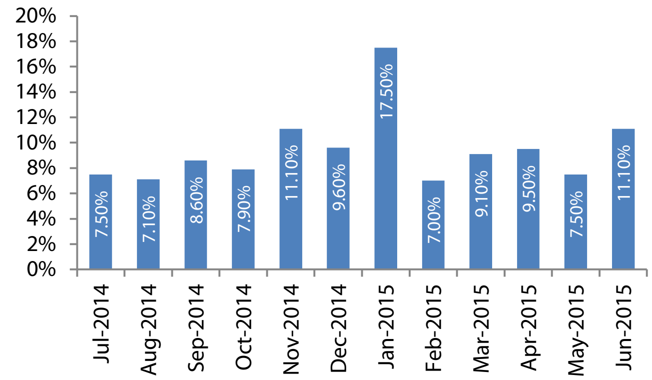
Graph 1: GDP Growth



Sources: GSO. Rongviet Securities database

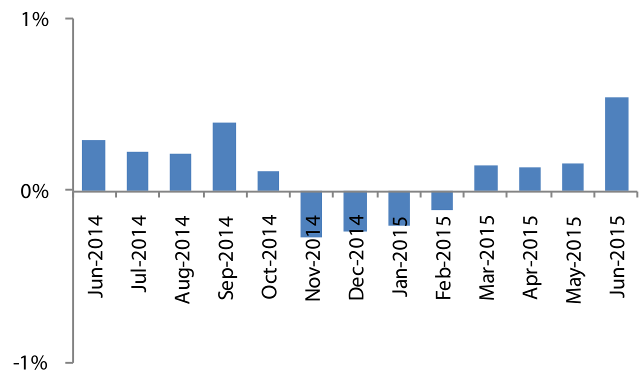
(*) Comparision price in 1994

Graph 2: IIP



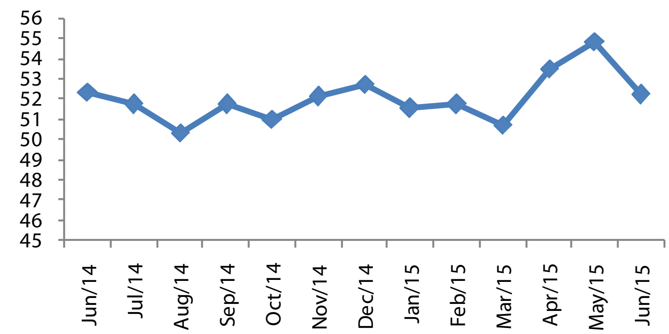
Sources: GSO. Rongviet Securities database

Graph 3: Monthly CPI



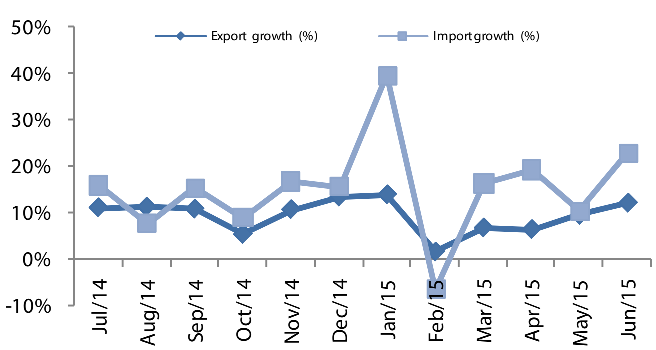
Sources: GSO. Rongviet Securities database

Graph 4: HSBC - PMI



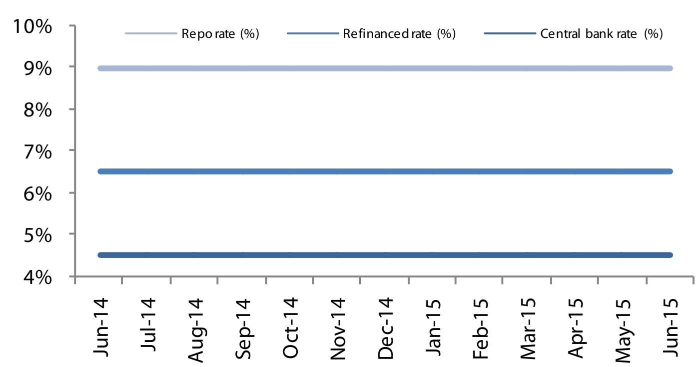
Sources: GSO. Rongviet Securities database

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
SKG - Growing alongside the pearl island	June 24th, 2015	Buy – Long term	64,300
VTO-Profitability sets for steady improvement	June 22th, 2015	Monitor	
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

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	30/06/2015	0% - 0.75%	0% - 2.5%	11,729	11,675	0.46%
VEOF	30/06/2015	0% - 0.75%	0% - 2.5%	9,821	9,767	0.55%
VF1	06/07/2015	0.2% - 1%	0.5%-1.5%	22,992	22,728	1.16%
VF4	01/07/2015	0.2% - 1%	0%-1.5%	9,961	9,932	0.29%
VFA	03/07/2015	0.2% - 1%	0%-1.5%	7,426	7,307	1.62%
VFB	03/07/2015	0.3% - 0.6%	0%-1%	12,211	12,185	0.21%
ENF	03/07/2015	0% - 3%	0%	11,424	11,271	1.36%
MBVF	02/07/2015	1%	0%-1%	10,563	10,536	0.26%
MBBF	01/07/2015	0%-0.5%	0%-1%	12,133	12,115	0.15%

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