JULY

01

WEDNESDAY

"HHS – Rumors spread and prompt response - What will happen next?"

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ADVISORY DIARY

- **June PMI – Industrial production continued the sustainable trend**
- **HHS – Rumors spread and prompt response - What will happen next?**

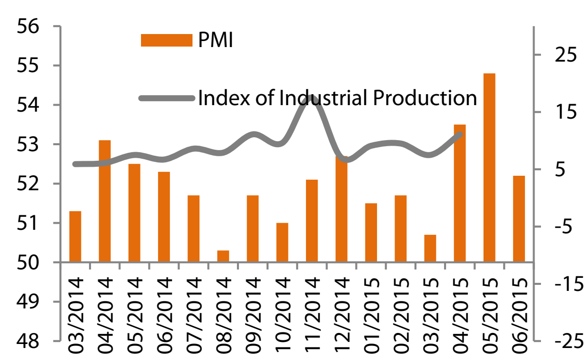
June PMI – Industrial production continued the sustainable trend

Today, Nikkei released Vietnam manufacturing PMI June from Vietnam and countries in the region. Overall, in this publication, Vietnam PMI could not maintain the positive growth rate as last month. However, with 52.2 points, industrial production continued the consecutive 22 months of expansion. Furthermore, comparing to PMI manufacturing figures in Taiwan, Malaysia and Indonesia, we believe that Vietnam is still a bright spot in the region.

Specifically, input and output, two significant aspects to support PMI growth rate previous months, slowed down in June. According to Nikkei, survey results demonstrated the divergence in term of production between enterprises; meanwhile, export orders experienced the fastest drop since 7/2013. Creating new employments maintained the growth; however, the growth rate has been slowed down. In addition, the indicator of input price component continued to maintain the momentum from May, while output price index continued to decline with 9th consecutive month but the rate has been slowed down.

Further observation of PMI index in the previous four years, we suppose that the period of June – August was usually the "bottom" of this figure. However, in the first half of this year, continuing to maintain above 50 points (the level of production expansion), we indicated that is the clearest evidence for the sustainable growth of production activities.

Exhibit: Vietnam manufacturing PMI and Index of industrial production



Source: Nikkei, GSO, RongViet Research

Moreover, according to the index of industrial production (IIP) released by GSO, we found the optimistic in industrial picture. In June, IPP rose by 11.1% y.o.y, compared to 7.5 y.o.y from May. Considering the first 6 months of 2015, this index increased by 9.6%, improved compared to 5.8% from last year. In addition, we believe that consumption index in the first 6 months remained positively with a 12.7% increase y.o.y. In contrast, inventory index at the beginning of June 2015 slightly increased with 11.8% y.o.y compared to 11.5% last month. According to GSO, overall index of industrial inventory in processing and manufacturing segment averaged 77.8% in first five months of 2015, relatively equivalent to the last period. We believe that this is the moment for companies to boost the inventory in order to catch up with export contracts in the peak quarters at the end of this year. Therefore, this will be the motivation for growth in production in the last two quarters of 2015.

HHS – Rumors spread and prompt response - What will happen next?

The markets had a "tug of war" trading session today. Two main pillars, GAS and VNM, failed to hold VN Index from dropping. Both indexes were in strong tension, particularly, market breadth was very narrow in the afternoon session. The markets were mixed today with the HN Index closing higher, at 85.25 while the VN Index lost 0.26% and ended day at 591.5.

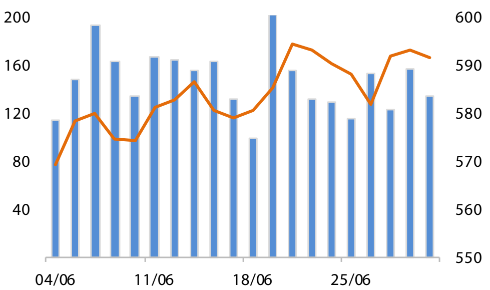
Observing movements today, our market analyst noticed two sectors. The first noticeable sector is automotive with three large stocks HHS, TMT, SVC declined. Among those, HHS and TMT went floor today. Floor price of HHS might be related to rumors of legal issues and margin restrains from securities companies. After JVC, negative rumors attacking another popular stock like HHS spread panic sentiment. BoD reacts quickly by rectifying the fake news via official document, publishing 2Q2015 business results in advance and announcing information of Chairman buying 500,000 shares. Despite effort of HHS's BoD, 3.5 million shares were still oversold due to investors' sentiment and margin call pressure. Interviewing some experienced investors, RongViet Research found that they did not believe in written document lacking of information.

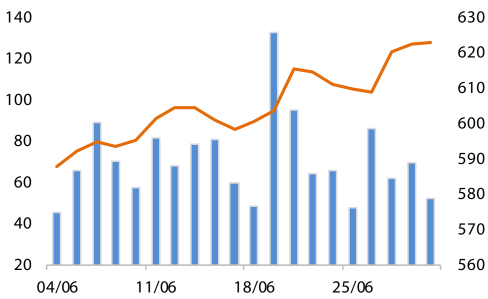
Rumors spreads, prompts response as compared to JVC. Although the rumor has been denied, it seems that investors are still worried. We suppose that this story has different plot, but, the company need more time to build confidence in investors. According to some investors, they suppose that their confidence with HHS just builds in recent times.

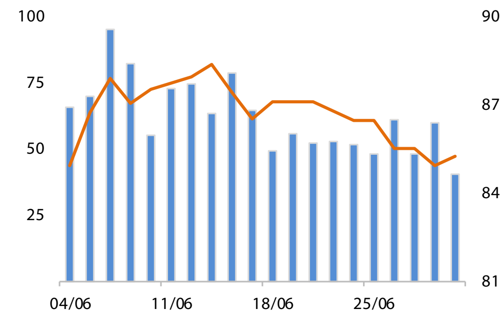
While auto stocks decreased, securities stocks including SSI (+2.1%), VND (+1.4%), HCM (+1.9%), WSS (+2.4%),… witnessed a significant increase when the information related to "room expansion" for securities companies released in yesterday afternoon by State securities commission of Vietnam. Today, foreign investors kept their net bought in terms of SSI with a value of VND 34.6 billion. Generally, foreign investors only kept their net bought of VND 22.6 billion, equivalents to 5% of yesterday.

Look back to June; our analyst supposed that June is a "bumpy road". Moreover, foreign investors boosted their buy in the later half month of June with a worth of VND 1,694 billion supporting for the increase of two indexes. Up to the end of June, Vnindex and HNindex increased by 4.1% and 2.1% respectively as compared to May, which are relatively consistent with our June Investment Strategy report. Furthermore, in July, our analyst supposes that investors are likely to have opportunity to buy stocks; especially Mid-caps and Small-caps with have positive outlooks. Meanwhile, the increase of blue-chips could depend on foreign investors' activities. Therefore, if this group stops buying, market index will affect.

VNINDEX	-0.26%	591.50	VN30	0.08%	622.91	HNXINDEX	0.36%	85.25

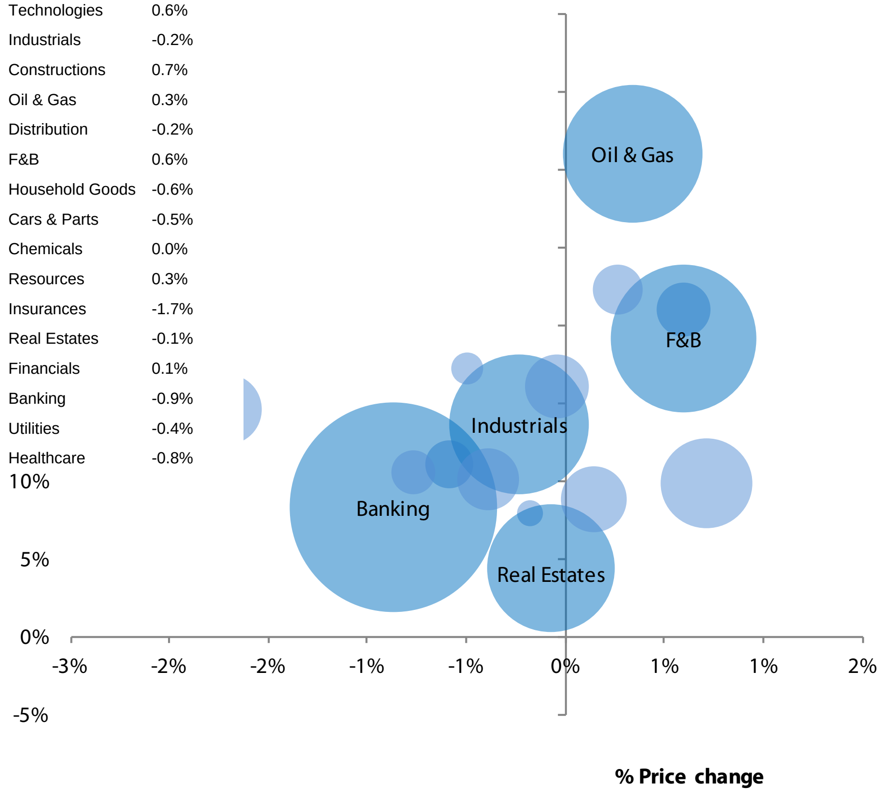




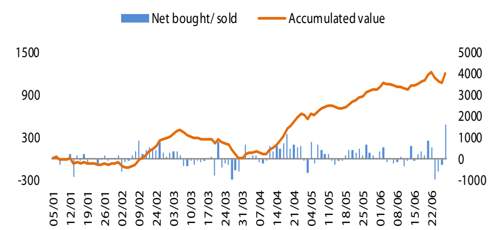


Industry Movement

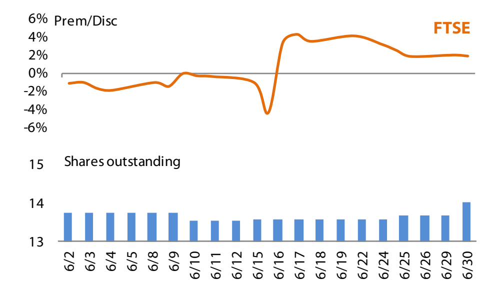
Industry	% change
Technologies	0.6%
Industrials	-0.2%
Constructions	0.7%
Oil & Gas	0.3%
Distribution	-0.2%
F&B	0.6%
Household Goods	-0.6%
Cars & Parts	-0.5%
Chemicals	0.0%
Resources	0.3%
Insurances	-1.7%
Real Estates	-0.1%
Financials	0.1%
Banking	-0.9%
Utilities	-0.4%
Healthcare	-0.8%

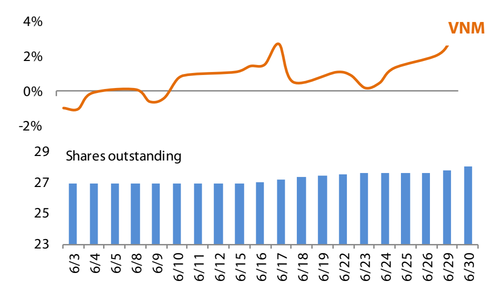


Foreign Investors Trading



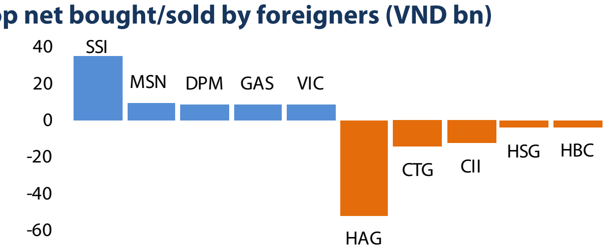
ETF



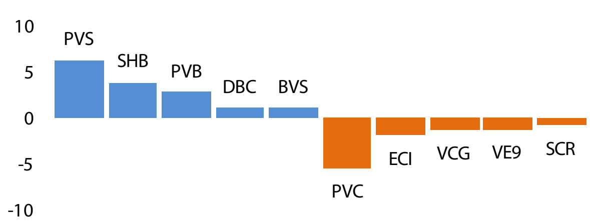


Top net bought/sold by foreigners (VND bn)

HSX



HNX



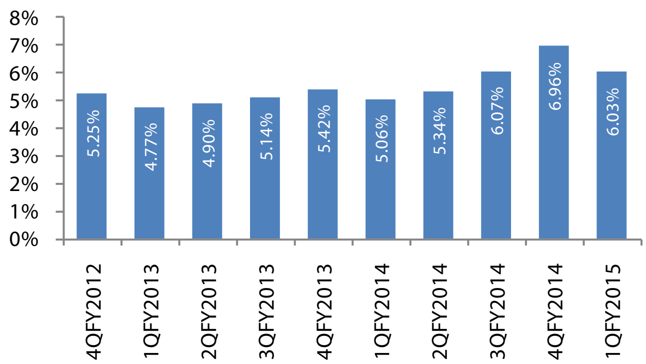
Top Active

Ticker	Price	Volume	% price change
FLC	8.6	11.54	0.0%
CII	25.1	7.11	5.9%
SSI	24.8	5.94	2.1%
KSS	1.4	4.81	7.7%
HAI	9.4	4.58	0.0%

Ticker	Price	Volume	% price change
FIT	12.6	3.50	-1.6%
SCR	8.4	3.29	-1.2%
FID	14.5	2.44	9.8%
VND	14.2	2.43	1.4%
VIX	11.3	2.18	0.9%

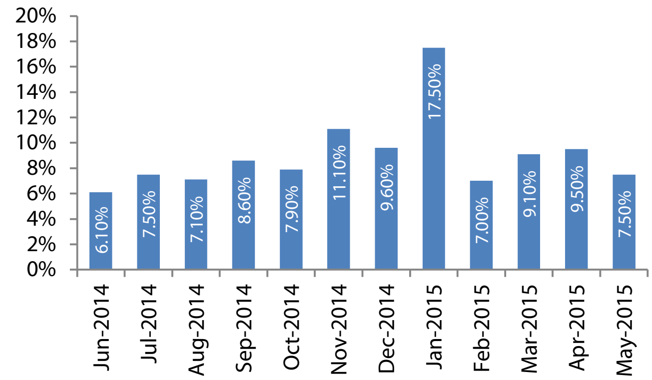
MACRO WATCH

Graph 1: GDP Growth



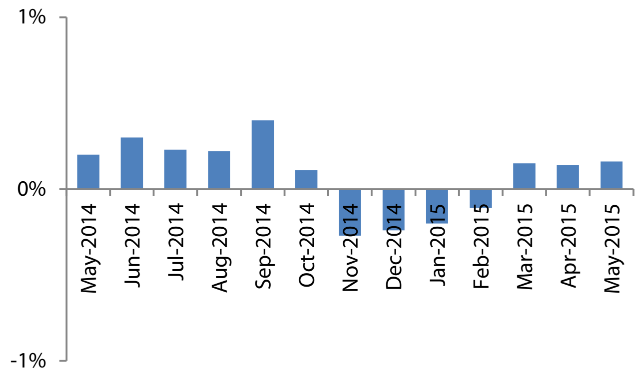
Sources: GSO. Rongviet Securities database
(*) Comparision price in 1994

Graph 2: IIP



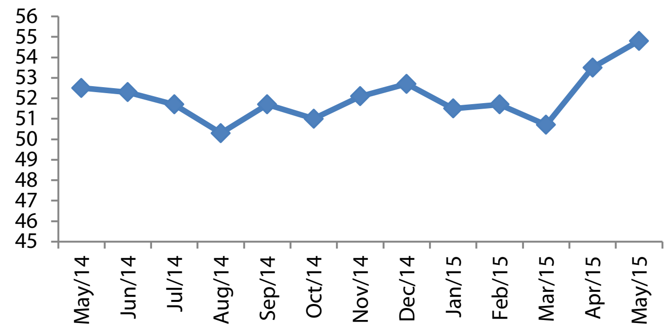
Sources: GSO. Rongviet Securities database

Graph 3: Monthly CPI



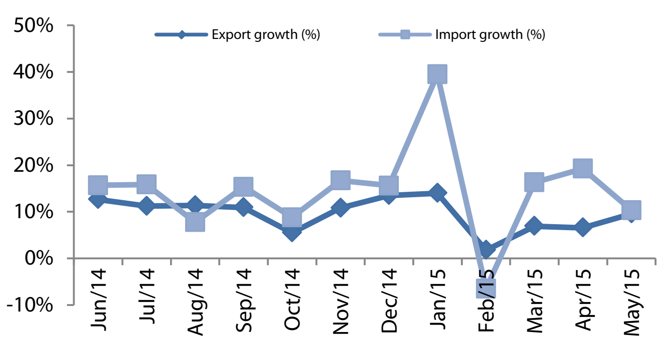
Sources: GSO. Rongviet Securities database

Graph 4: HSBC - PMI



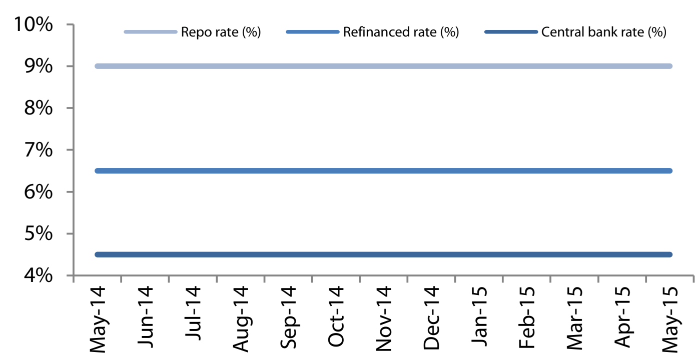
Sources: GSO. Rongviet Securities database

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	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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