JUNE

30

TUESDAY

ADVISORY DIARY

- **Business result on three prospects macro, consumer, and enterprises**
- **The market: Passing through narrower door**

Business result on three prospects macro, consumer, and enterprises

Recently, General Statistics Office has just announced socio-economic situation. Most figures show optimism such as: an increase of 6.28% in GDP, a decrease by 0.86% in CPI, a jump of 8.3% in total retail sales of consumer goods and services (excluding inflation). As a result, to accumulate the first-half 2015, macro-economic indicators maintain positive prospects

Under consumer's perspective, the Nielsen surveys in 1Q 2015 provided similar results. Vietnam Consumer Confidence Index reached 112 points, the highest level ever at 54 months. Meanwhile, during the first 6 months, there were 45,406 businesses registered and established with a total registered capital of 282.4 thousand trillion VND. That means an increase 21.7% in total number of registered businesses and +22.3% of the registered capital compared with the same period last year. On the other hand, during the first 6 months, there was an increase of 2% of the number of businesses operates again after a ceasing period. Thus, during the first 6 months, enterprises are generally improved compared to the situation a year ago.

Detailed analysis based on the business trend survey with 3,389 companies in processing, manufacturing industry; results in Q2 and Q3 have been forecasted more stably and better than Q1/2015. Given the performance estimation in Q2/2015, around 41% of surveyed companies expressed positive opinion in production; while, 20% of them said difficulty and the rest estimated to be stable. This result is much more optimistic than the previous quarter and even Q3 is expected more positive movement.

"The market: Passing through narrower door"

Figure: Survey on business result trend in 2Q2015

2Q2015 business result	Production volumes	Orders	Export orders	Producti on cost	Output price	Inventor y	Material inventory
Higher	44,30%	37,00%	29,30%	30,90%	18,50%	21,10%	19,70%
Stable	36,60%	43,80%	51,20%	59,40%	70,20%	46,20%	49,70%
Lower	19,10%	19,20%	19,50%	9,70%	11,30%	32,70%	30,60%

Source: GSO

Figure: Survey on business result trend in 3Q2015

3Q2015 business result trend	Production volumes	Orders	Export orders	Producti on cost	Output price	Inventor y	Material inventory
Higher	**52,00%**	**45,80%**	**40,70%**	**23,90%**	**20,60%**	**16,00%**	**15,30%**
Stable	**36,60%**	**43,40%**	**46,50%**	**64,80%**	**70,80%**	**50,60%**	**53,00%**
Lower	**11,10%**	**10,80%**	**12,80%**	**11,30%**	**8,60%**	**33,40%**	**31,70%**

Source: GSO

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As regarding the trend of Q32015 business result, based on the survey, we realize that the production volumes are expected to surge. It is resulted from a rise in the number of orders, especially export orders. However, production costs are forecasted to be stable in spite of upward trend in oil & gas and electricity price. Moreover, output prices are likely to remain steady but a slight proportion of surveyed companies believe that the prices would be risen in 3Q2015

More details in each sector's performance in Q3/2015 trend, the textile industry continues be the sector with the most number of positive factors. In the context of VKFTA signed and TPP movement, there is a significant increase in order number as well as price level in this sector. Labor factor and production cost have still not been positive compared with others in textile industry

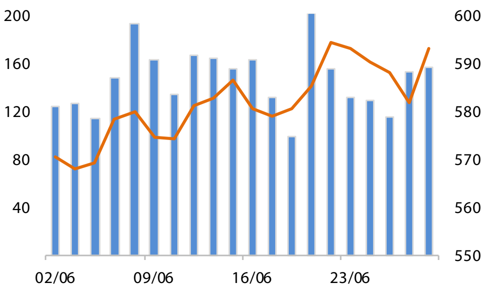
The prospects in the textile sector, accompanied by the possibility of joining TPP, room expansion for foreigners, led these stocks to surge, especially TCM. The ticker has risen by 3% in three recent consecutive sessions. Except textile industry, the room expansion also gives positive impact on other tickers such as FPT, HSG, HPG. However, the information has cooled down in today's session; as a result, stocks such as TCM (-0.3%), PVD (-1.9%), FPT (-0.9%) witness relatively decreases. In our opinion, the rise in large-caps mainly came from net buying activity of foreigners (approximately VND430 billion), higher than 25% to that of yesterday; in which VIC, VCB, HPG were top net bought. Therefore, the markets closed in green color. However, as our comment in the prior advisory diary, ***the market is passing through narrower doors***. In case that the optimism was not filled widely on a variety of stocks, a possibility of the market correction would occur due to the fluctuation of large-caps tickers. However, according to our market analyst, the correction is not a proper chance to restructuring portfolio. Therefore, the investors should reduce the stock to cash proportion in the margin-buying portfolio or take slim chances to open new positions in bearish sessions.

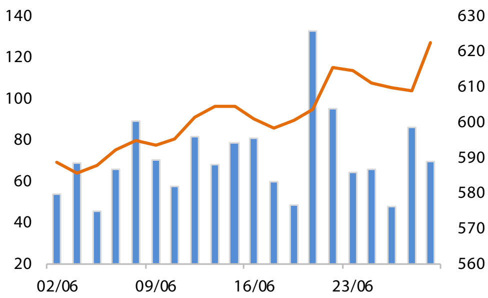
Figure: Business trend estimation in 3Q/2015

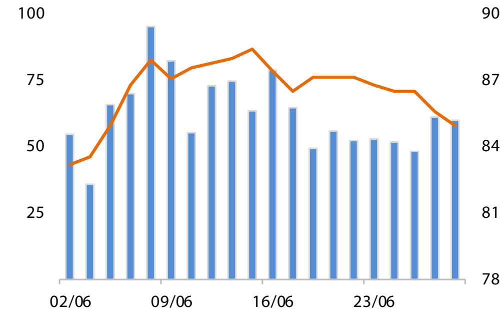
Industry	Overall business	Production volumes	New orders	New export orders	Finished goods inventories	Material inventories	Unit cost	Unit price	Payrolls
Tobacco	60.0	50.0	10.0	50.0	30.0	60.0	0.0	20.0	30.0
Pharmaceuticals, medicinal chemical and botanical products	52.8	72.2	0.0	45.8	2.8	2.8	22.2	22.2	19.4
Wearing apparel	49.0	65.9	2.0	55.4	29.7	27.3	18.1	24.9	42.2
Beverages	48.2	57.4	9.3	56.3	33.3	20.4	0.0	5.6	22.2
Leather and related products	45.1	54.9	3.7	49.3	2.4	1.2	24.4	25.6	30.5
Textiles	40.8	54.8	1.3	53.9	28.7	21.0	13.4	18.5	26.8
Food Products	38.9	50.9	3.9	34.8	11.4	11.6	18.0	16.2	25.6
Rubber and plastics products	38.6	50.8	1.5	41.6	13.7	12.2	9.1	13.7	22.8
Paper and paper products	34.0	46.2	6.6	18.0	14.2	11.3	18.9	8.5	21.7
Chemicals and chemical products	31.3	52.8	4.3	23.4	6.1	12.3	11.7	3.7	24.5
Other non-metallic mineral products	28.2	48.5	8.6	20.0	11.7	12.1	13.6	11.7	12.3
Wood and of products of wood and cork (except furniture)	18.1	34.3	8.8	8.1	34.8	34.3	4.4	0.0	6.4
Publishing	8.3	58.3	0.0	50.0	4.2	8.3	16.7	8.3	8.3
Coke and refined petroleum products	20.0	20.0	0.0	0.0	20.0	20.0	0.0	20.0	0.0

Source: GSO, RongViet Securities compiled

VNINDEX	1.94%	593.05	VN30	2.22%	622.43	HNXINDEX	-0.68%	84.94

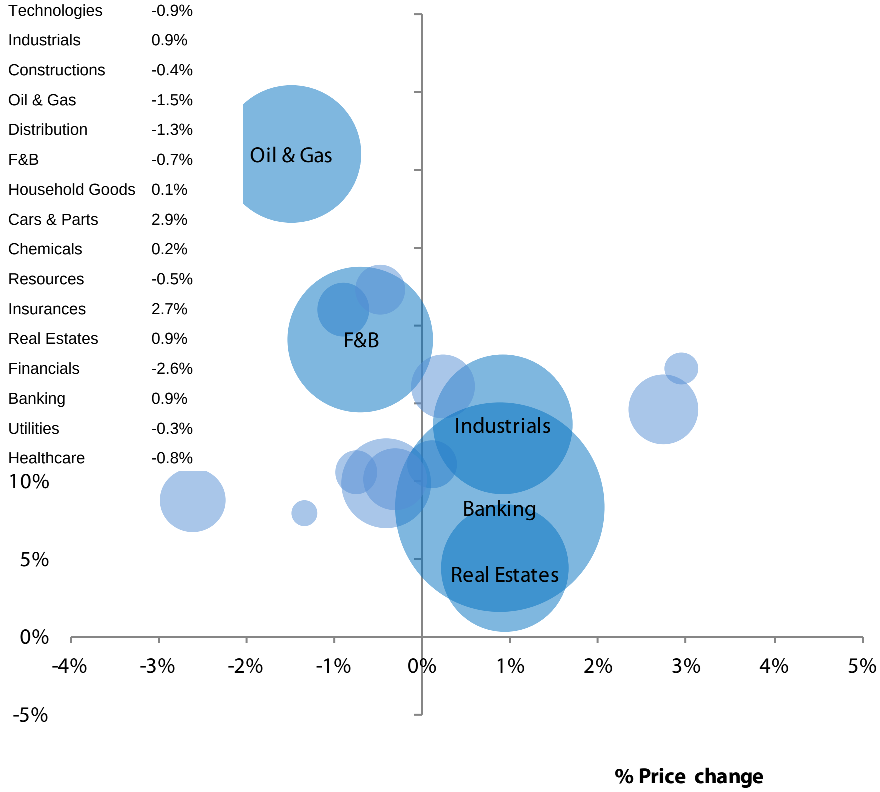




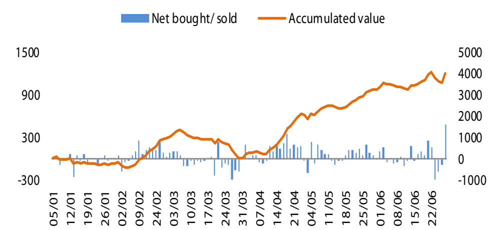


Industry Movement

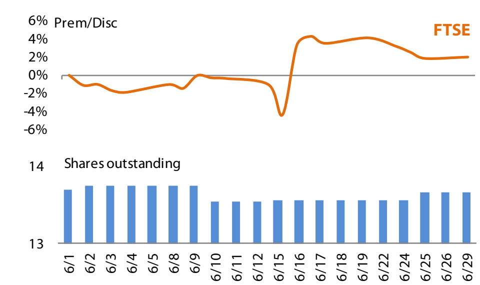
Industry	% change
Technologies	-0.9%
Industrials	0.9%
Constructions	-0.4%
Oil & Gas	-1.5%
Distribution	-1.3%
F&B	-0.7%
Household Goods	0.1%
Cars & Parts	2.9%
Chemicals	0.2%
Resources	-0.5%
Insurances	2.7%
Real Estates	0.9%
Financials	-2.6%
Banking	0.9%
Utilities	-0.3%
Healthcare	-0.8%

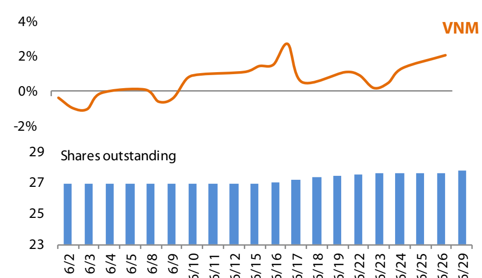


Foreign Investors Trading



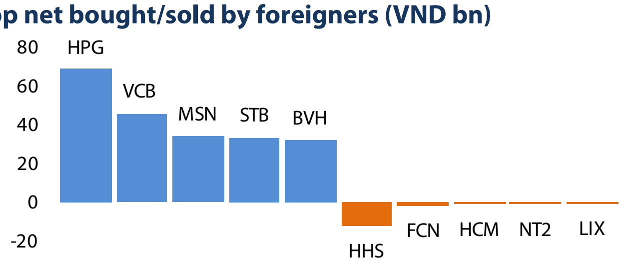
ETF



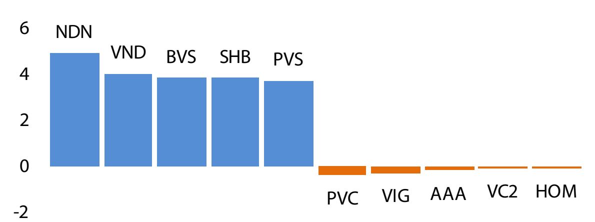


Top net bought/sold by foreigners (VND bn)

HSX



HNX



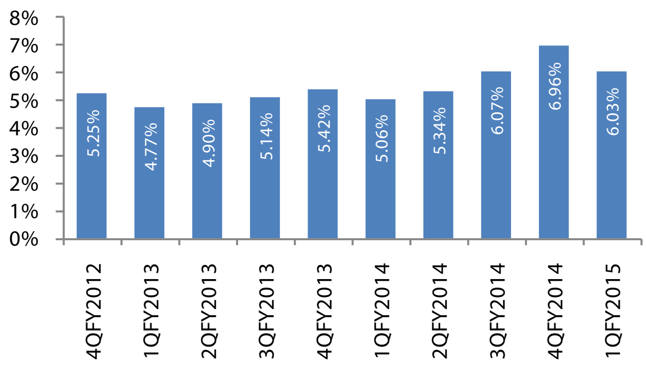
Top Active

Ticker	Price	Volume	% price change
FLC	8.6	14.58	-2.3%
OGC	2.7	9.03	0.0%
HAG	19.0	7.10	1.6%
DLG	8.9	6.39	-2.2%
HAI	9.4	5.55	6.8%

Ticker	Price	Volume	% price change
KLF	6.9	6.71	0.0%
FIT	12.8	4.37	-1.5%
SCR	8.5	3.75	1.2%
KVC	26.5	2.46	8.6%
SHN	13.3	2.15	-5.0%

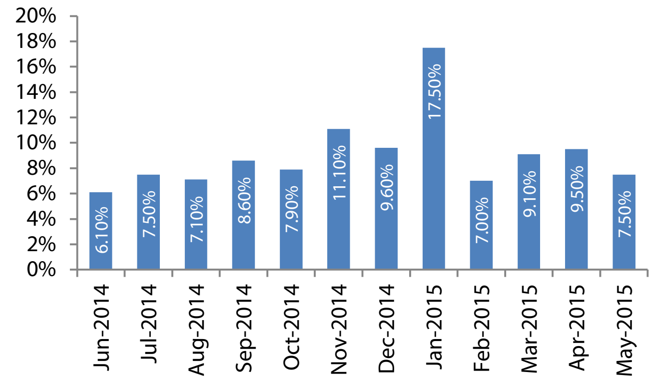
MACRO WATCH

Graph 1: GDP Growth



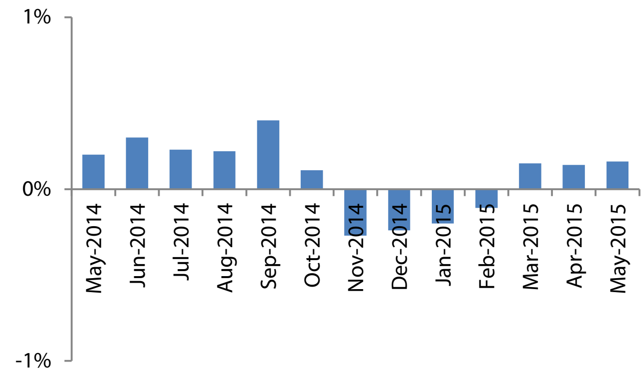
Sources: GSO. Rongviet Securities database
(*) Comparision price in 1994

Graph 2: IIP



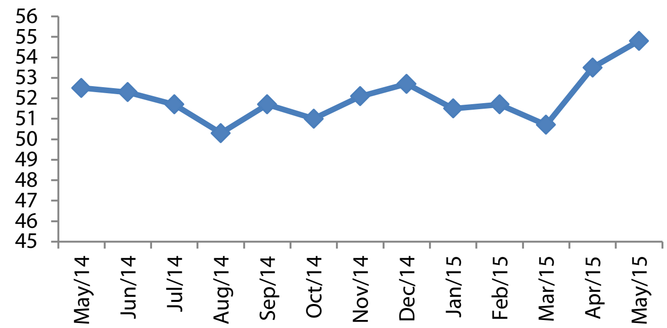
Sources: GSO. Rongviet Securities database

Graph 3: Monthly CPI



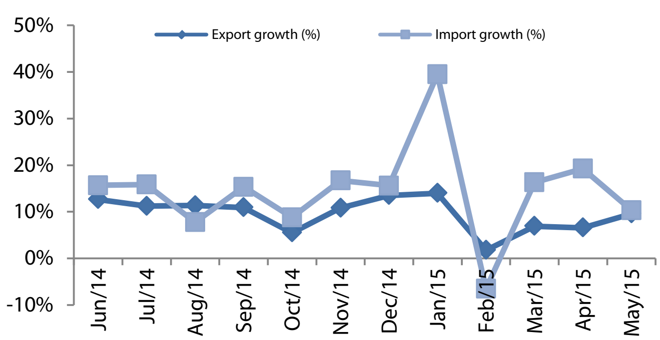
Sources: GSO. Rongviet Securities database

Graph 4: HSBC - PMI



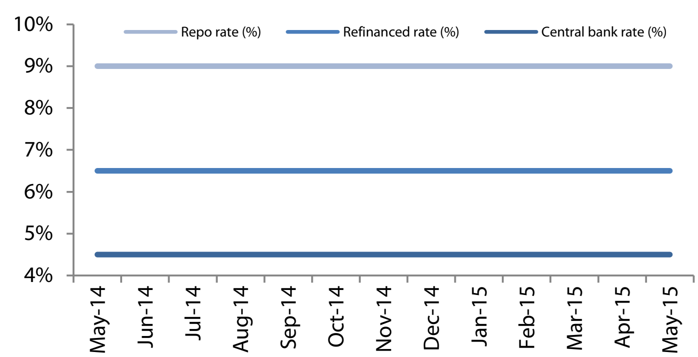
Sources: GSO. Rongviet Securities database

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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