OCTOBER

ADVISORY DIARY

20

TUESDAY

- **Another day around 590**
- **Company visit note: KDH**
- **Result updates: CHP**

Another day around 590

Markets saw significant correction. More dramatic movements took place today. Opposite to morning session when markets tried to cross 595, VNIndex lost its momentum and dropped back to 588 points. VNM could no longer support the index. However, correction created chances for buyers. Liquidity improved with total matching-order volumes reached 150 million shares, equivalent to VND2,478 billion. Long forces partially offset short forces and helped VNIndex maintained its 590 level and HNIndex hold 81 pts.

Insurance and Logistic sectors were bright spots. BVH returned to its usual leading position with total gain of 2.75%. Following BVH, the rest stocks in Insurance group recorded positive upward movement, in which BMI was the most noticeable one as it went ceiling. Logistics and warehouse services stocks also went against the markets with GMD (+6%), VIP (+1%), VOS (+3.45%) and VSC (+0.72%).

As we have mentioned in October Investment Strategy, VNIndex will need lots of effort for an assault on 600. From the bottom at 520, market rallied around 13.46%; hence, profit takers realizing their profit is a norm. Currently, there are still lots of buyers with high tendency to enter markets. This might be considered as a bright signal, which shows that markets are not at high risk. As long as there are expectations, accumulation for upcoming uptrend is confirmed.

This morning, the National Assembly started the 10th meeting of XIII session. According to plan, this session will last for 31 days from 20/10/2015 to 28/11/2015. Main subjects focus on reviewing and passing 18 resolutions and commenting on 8 others; reporting social and economic situations; public investment and financial plan for 2016 – 2020 period; estimation and budget allocation plan during 2016 – 2020… Especially, the Government will announce the results of TPP negotiation. First day information asserted that after completing the documents and procedures based on each country's standards, TPP will take affect from mid-2017 or early-2018.

"Another day around 590"

Tai Nguyen

+ 84 8 6299 2006 | Ext: 1310

tai.ntp@vdsc.com.vn

Thien Bui

+ 84 8 6299 2006 | Ext: 1321

Thien.bv@vdsc.com.vn

Company visit note: KDH

Real estate stocks have bulled up strongly recently. Aside from those who own large industrial land banks, Khang Dien House Trading & Investment JSC (HSX – KDH, a residential real estate company has also attracted investors. RongViet Research will update information on 9M2015 business results as well as progress of Mega townhouse project. KDH also has planned to expand its land banks as well as penetrate into new real estate development segment.

Being the third projects in Mega project chain, Mega Village (Tri Minh) effectively operate in the first 9 months of this year. Mega Village has 5.7 ha with 323 houses with garden; being openly sold since 4/2014 with the price from 2.45 billion/houses (average ~80m2). Until 9/2015, total sales reached 200 houses. Particularly, KDH transferred and recognized revenue for 60 units over 1H2015. Rongviet Research's analyst asserted that Mega Village is the main project contributing to revenue of KDH in 2015. Assessing the project, we believe that Mega Village has not been sold as fast as Mega Residence and Mega Ruby even though this project has better services and location. It could result from the higher prices in Mega Village compared to other projects. Simultaneously, high number of truck to Cat Lai port through Fringe road could impact on the business activities of the project.

KDH is going to deploy and place on markets lots of projects categorized in different segments but mainly located in Distric 2 and 9. Please find detailed information on these projects in below table:

Project	Description	Additional information
Mega Garden – Melosa Garden (Song Lap)	Location: Phu Huu Ward, District 9 (behind Mega Village) Total area: 15 ha including 442 townhouses Floor area: 80 – 200 – 300m^2	Open for sale in November, 2015; Being completed landscapes (pools, trees); Townhouses were erected building structures; some have been built exteriors.
International	Location: in a peninsula in Do Xuan Hop Street, Phu Huu Ward, District 9, adjacent to District 3; Total area: 3,101 ha, including 43 luxury duplex villas; Square per unit: from 250m^2; Expected selling prices: from VND12 billion/unit	Ready for sale in December, 2015 or January, 2016.
Lucasta	Location: on Lien Phuong Street, Phu Huu Ward, District 9; Total area: 8.2 ha, including 140 duplex and single villas; Square per unit: + Duplex: from 192m^2/unit + Single: from 350m^2/unit	Project's old name was Eden and Goldora Villa
Phu Huu apartment project	Location: Phuoc Long B Ward, District 9, near International project; Total area: 2 ha including 1,000 units; Square per unit: 50 – 100m^2; Expected selling prices: from VND20 million/m^2	Project is belonged to Nha Pho Company, which was owner of Phu Huu project

Source: KDH, RongViet Research

In Q4/2015, KDH continues to issue 50.4 million shares with 10:4 ratio for existing shareholders and 3.6 million shares for employees with VND 14.000/share. If successful, this issuance will earn the total amount of VND 756 billion. It is known that this funding source will be primarily used for land expansion in 9 District from 100 ha to 130 ha and development of additional 2 – 3 projects, mainly low-rise buildings. The significant increase in 2 District and 9 District real estate prices could be resulted from (1) the construction of high-rise projects with high utilization factor and (2) the acquisition of businesses with cheaper lands could be more beneficial than self-development.

Recent information received much market attention is the purchase of KDH for 17.7 million shares and the ownership increase in BCI to 20.41% in 9/2015 when the major shareholders, Dragon Capital declined the ownership from 18.6% to 1.4% and HFIC withdrawn all of their stake in this business (28%). As we commented in Advisory Diary on 28/09/2015, BCI has the advantage of more 300 ha of clean land but mainly depends on the cheap land for villas and townhouses which do not provide much added value. Over the last few years, major projects of BCI such as KDC Phong Phu 4 (87.6ha), KDC Phong Phu 2 (132.9 ha), Corona City (18.7 ha)…are slowly implemented and did not contribute much to company's earnings. The stock price is trading at a high discount compared to its BVPS, which makes BCI become a potential target for those who have ability to develop projects and strong financial condition like KDH. Moreover, KDH is very strong at townhouses and villas, which are suitable to BCI land banks. Our analyst expects KDH appearance will help BCI become more active in developing real estate projects as well as enable both parties exploit their strengths at an optimal level.

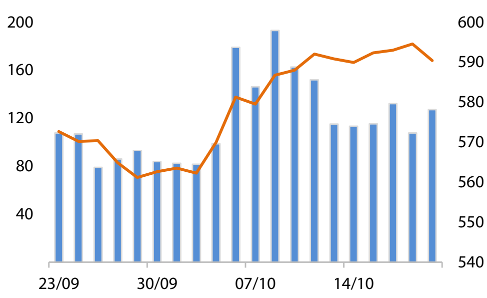
Result updates: CHP

CHP: Central Hydropower JSC (HNX – CHP) announced Q3/2015 business result with revenue recorded VND115 billion (+40% yoy), followed by NPAT at VND15.5 billion (compared to –VND13.6 billion in Q3/2014). Refer to report published on September 30th, we think off-season advantages and uncommon weather condition in 2015 allow CHP gain benefit from selling volumes and prices.

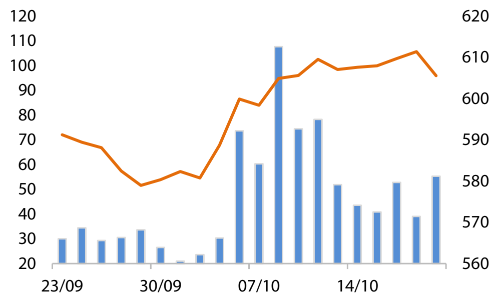
Total Q3/2015 volumes recorded 111.5 million kWh (+26% yoy). Also, we estimate average selling prices in Q3/2015 up 11% yoy. Total accumulated volumes were reported at 379.2 million kWh (+46% yoy) and average selling prices were estimated around VND1,079.3/kWh (+5.6% yoy).

9M2015 total revenue booked VND432 billion (+54.2%), which led to NPAT of VND149 billion, a significant increase compared to –VND2.7 billion in 9M2014. As peak season normally falls in Q4 with more than 50% total NPAT will be recorded, we keep our forecast for FY2015 EPS around VND2,693 and CHP is currently traded at PE forward 7.4x.

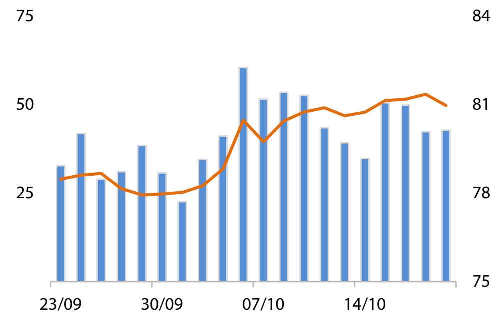
VNINDEX -0.70% **590.45**



VN30 -0.95% **605.56**

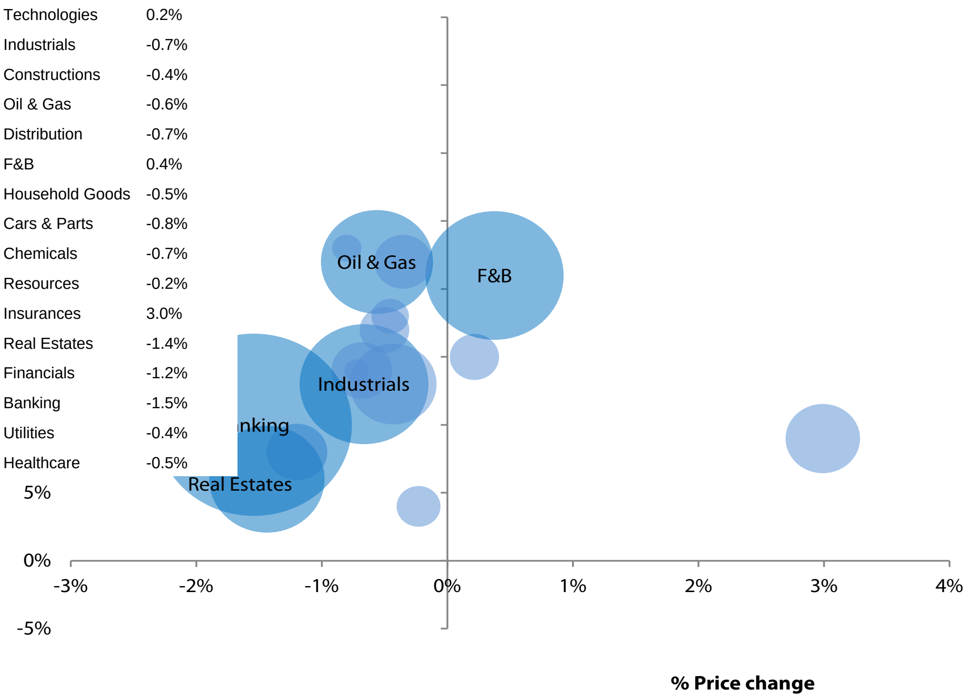


HNXINDEX -0.47% **80.97**

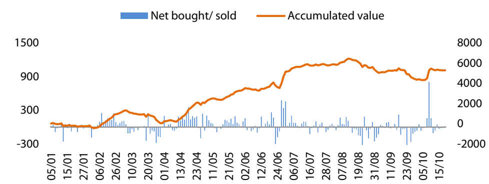


Industry Movement

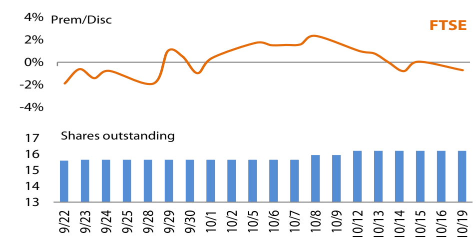
Industry	% change
Technologies	0.2%
Industrials	-0.7%
Constructions	-0.4%
Oil & Gas	-0.6%
Distribution	-0.7%
F&B	0.4%
Household Goods	-0.5%
Cars & Parts	-0.8%
Chemicals	-0.7%
Resources	-0.2%
Insurances	3.0%
Real Estates	-1.4%
Financials	-1.2%
Banking	-1.5%
Utilities	-0.4%
Healthcare	-0.5%

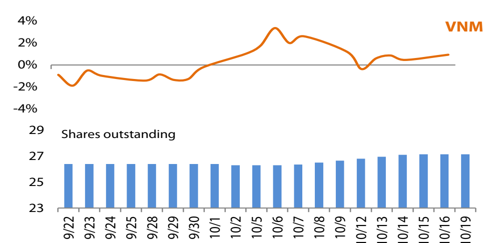


Foreign Investors Trading

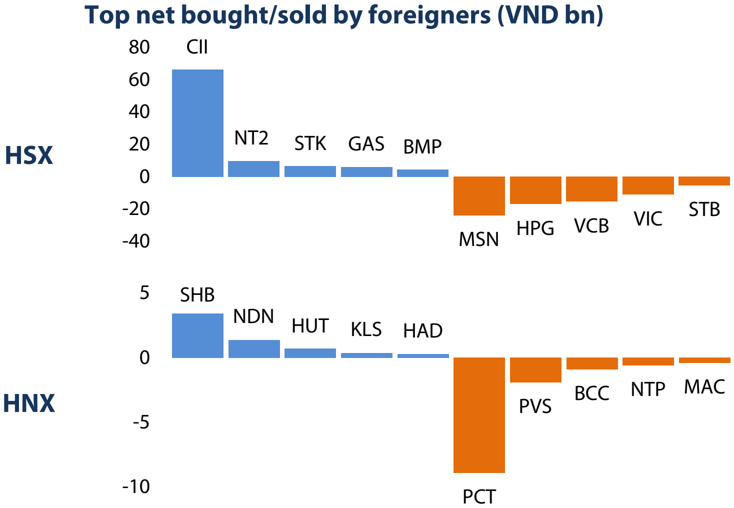


ETF





Top net bought/sold by foreigners (VND bn)



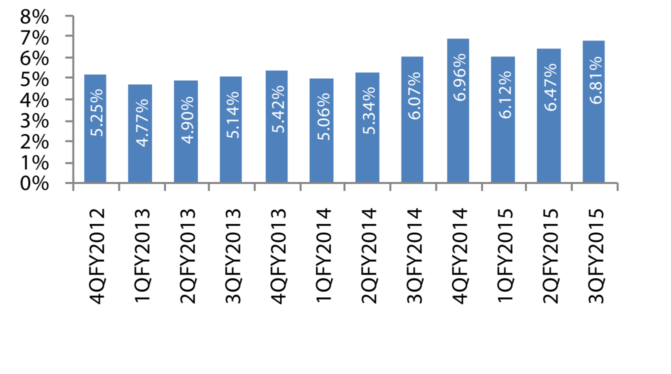
Top Active

Ticker	Price	Volume	% price change
FLC	7.0	6.94	-2.8%
HAI	6.2	6.04	1.6%
ITA	6.4	5.71	-3.0%
HQC	6.3	5.55	-1.6%
HHS	17.2	4.88	0.0%

Ticker	Price	Volume	% price change
PVS	22.5	3.03	0.9%
TIG	10.9	2.55	-2.7%
SCR	7.9	2.50	-4.8%
KLF	4.5	1.80	0.0%
ACM	3.3	1.63	-8.3%

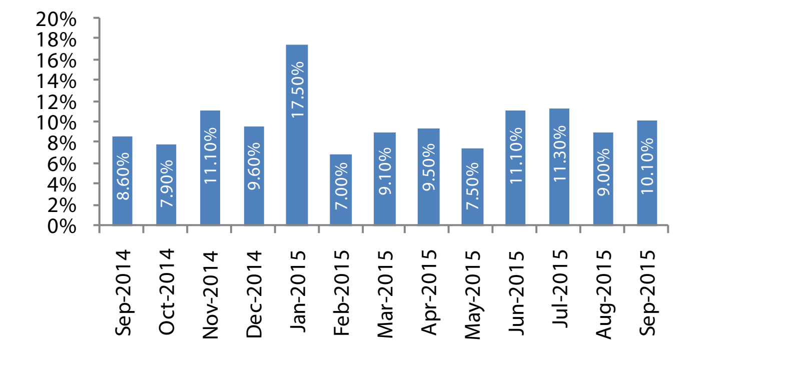
MACRO WATCH

Graph 1: GDP Growth



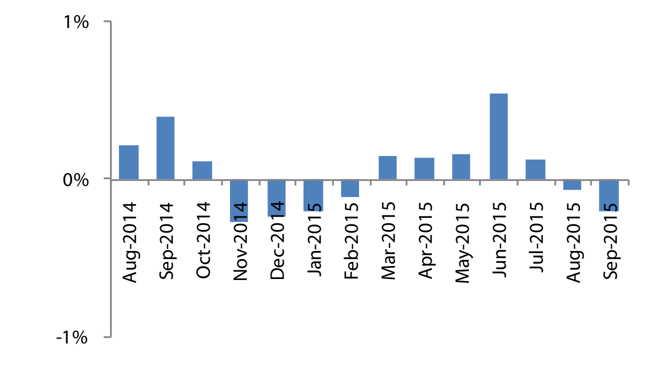
Sources: GSO. Rongviet Securities database
(*) Comparision price in 1994

Graph 2: IIP



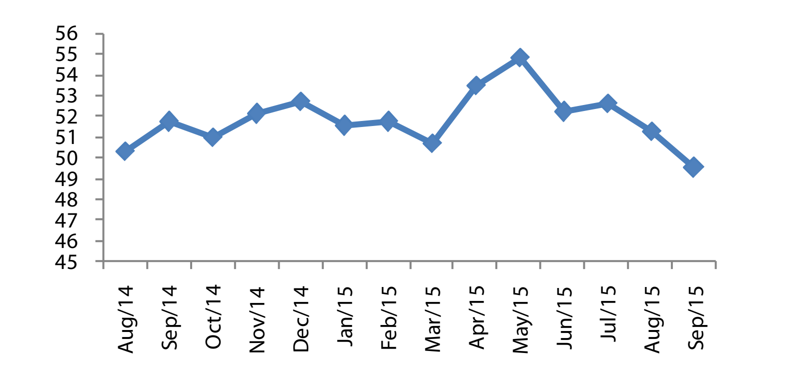
Sources: GSO. Rongviet Securities database

Graph 3: Monthly CPI



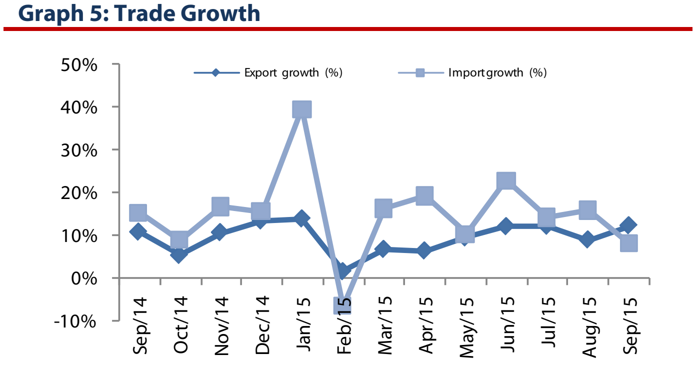
Sources: GSO. Rongviet Securities database

Graph 4: HSBC - PMI



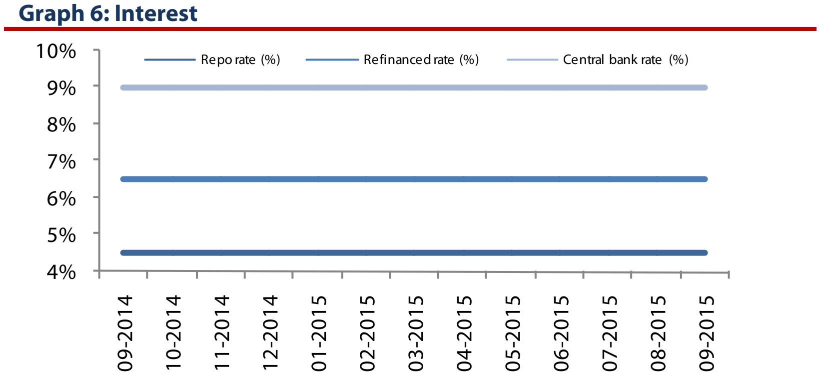
Sources: GSO. Rongviet Securities database

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
CHP- Off season advantages	Sep, 30th 2015	Buy - Intermediate	23,600
PXS - Invest to strengthen construction capacity	Sept, 4th 2015	Accumulate - Intermediate	17,000
SHP - Positive over long-term	Sept, 3rd 2015	Accumulate - Intermediate	20,800
PET - Tracking the progress of Thanh Da land plot transfer	Aug, 20th 2015	Stable	N/a
VNC - Embrace the new wave of international commerce	Aug, 14th 2015	Neutral – Long term	28,900

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	06/10/2015	0% - 0.75%	0% - 2.5%	11,935	11,922	0.11%
VEOF	06/10/2015	0% - 0.75%	0% - 2.5%	10,347	10,241	1.14%
VF1	16/10/2015	0.2% - 1%	0.5%-1.5%	23,599	23,545	0.23%
VF4	16/10/2015	0.2% - 1%	0%-1.5%	10,558	10,511	0.45%
VFA	16/10/2015	0.2% - 1%	0%-1.5%	7,488	7,457	0.42%
VFB	16/10/2015	0.3% - 0.6%	0%-1%	12,409	12,391	0.14%
ENF	09/10/2015	0% - 3%	0%	11,842	11,582	2.24%
MBVF	08/09/2015	1%	0%-1%	10,696	10,574	1.15%
MBBF	07/09/2015	0%-0.5%	0%-1%	12,395	12,383	0.10%

ANALYSTS

Truc Doan – Head of Research

+ 84 8 6299 2006 | Ext: 1308

truc.dtt@vdsc.com.vn

Hoang Nguyen

+ 84 8 6299 2006 | Ext: 1319

Hoang.nh@vdsc.com.vn

Lam Nguyen

+ 84 8 6299 2006 | Ext: 1313

lam.ntp@vdsc.com.vn

Tuan Huynh

+ 84 8 6299 2006 | Ext: 1318

Tuan.hm@vdsc.com.vn

Kien Nguyen

+ 84 8 6299 2006 | Ext: 1320

Kien.nt@vdsc.com.vn

Ha My Tran

+ 84 8 6299 2006 | Ext: 1309

my.tth@vdsc.com.vn

Diem My Tran

+ 84 8 6299 2006 | Ext: 1311

my.ttd@vdsc.com.vn

Van Banh

+ 84 8 6299 2006 | Ext: 1316

Van.btt@vdsc.com.vn

Thien Bui

+ 84 8 6299 2006 | Ext: 1321

Thien.bv@vdsc.com.vn

Tai Nguyen

+ 84 8 6299 2006 | Ext: 1310

tai.ntp@vdsc.com.vn

Tam Bui

+ 84 8 6299 2006 | Ext: 1315

tam.bt@vdsc.com.vn

Huong Pham

+ 84 8 6299 2006 | Ext: 1314

huong.pt@vdsc.com.vn

Trinh Nguyen

+ 84 8 6299 2006 | Ext: 1331

Trinh.nh@vdsc.com.vn

Trien Le

+ 84 8 6299 2006 | Ext: 1317

trien.lh@vdsc.com.vn

HEADQUARTER
Floor 1-2-3-4, Viet Dragon Tower
141 Nguyen Du Street, Dist.1, HCMC
T + 84 8 6299 2006
F + 84 8 6291 7896
E info@vdsc.com.vn
W www.vdsc.com.vn

HA NOI BRANCH
2C Thai Phien street, Hai BaTrung Dist., Ha Noi city
T + 84 4 6288 2006
F + 84 4 6288 2008
E info@vdsc.com.vn
W www.vdsc.com.vn

NHA TRANG BRANCH
50 Bis Yersin street, Nha Trang city, Khanh Hoa city
T + 84 058 3820 006
F + 84 058 3820 008
E info@vdsc.com.vn
W www.vdsc.com.vn

CAN THO BRANCH
08 Phan Đinh Phung street, Ninh Kieu Dist., Can Tho city
T + 84 0710 381 7578
F + 84 0710 381 7789
E info@vdsc.com.vn
W www.vdsc.com.vn