JULY

23

THURSDAY

ADVISORY DIARY

- **Sao Ta Foods JSC report (FMC – HSX) - Leaping in overseas waters**
- **6M2015 Update – Bank for Investment and Development of Vietnam Insurance JSC (BIC – HSX)**
- **The transaction value and volume has increased slightly**

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Sao Ta Foods JSC report (FMC – HSX) - Leaping in overseas waters

Today, 23/07/2015, RongViet Research would like to release a report of Sao Ta Foods JSC (FMC - HSX) with recommendations ACCUMULATE in INTERMEDIATE TERM with target price of VND27,000/share.

With competitive strength in processed shrimp products, FMC has an advantage in crucial markets such as Japan, US and Europe. The firm's shares in these markets are experiencing some major shifts, allowing more flexibility to take advantage of favorable tariffs in the short term. Specifically, increasing contribution of the European, Canadian and Korean markets has compensated for the contraction of exports to Japan and the US. On the other hand, production capacity was raised significantly (50%) in 2Q2015 as An San B factory was put into operation. Moreover, FMC aims to construct closed-end supply chain by consolidating its self-supply ability. Currently, the Company is able to produce 10% of raw input, which number is expected to rise of 19% by 2020.

The ownership structure of FMC has also experienced remarkable changes with HVG's interest having increased from 39% in 2014 to the current 53.5%. From what we understand, HVG has no intention to interfere with FMC's management, at least for now. However, we believe with HVG will likely provide FMC with support in the financial aspect as well as the development of shrimp farms.

According to the earning results of Q2/2015, although the growth is still good compared to the same period, it is not as optimistic as some unofficial sources in the market. Investors should track the price of shrimp prospects in Q3 and take advantage of the correction to take appropriate action strategies for the FMC.

6M2015 Update – Bank for Investment and Development of Vietnam Insurance JSC (BIC – HSX)

Yesterday, BIC published the 1H2015 financial statement with separate gross premiums of VND 628.1 billion, up to 31.65% yoy, completed 54% of the plan. This was a positive signal when BIC growth was 10% higher than the average growth of non-life insurance industry in 1H2015. The consolidated PAT reached VND 74.3 billon, up 10.6% yoy, completed 51.6% of the plan. Notably, PBT of foreign market, especially in Laos Vietnam Insurance Joint Venture (LVI) surged approximately 41.7% yoy, from VND 15.6 billion to 22.1 billion. There were 3 business segments contributing main result: insurance of automobile (34.8%), property & damages (23.5%), health & personal accident (11.2%).

In term of claim, 1H2015 gross loss ratio of BIC was about 35% in comparison with 28% recorded in 1H2014. Property & Damages and Hull and P&I claim increased significantly by 1.2 and 2.5 times respectively. For property insurance, BIC participated in insurance contracts with companies in Binh Duong province, which were victims of an outbreak occurring in May 2014. Last October, BIC paid in advance VND2 billion out of a total estimated claim expense of VND20 billion. The residual claim expense was possibly recorded in this accounting period. Secondly, the increasing in Hull and P&I insurance might be explained by the case of Sunrise 689 hijack. PTI and BIC were insurers for the ship. BIC was in charge of the hull of Sunrise with a contract valued at VND125 billion. Such increasing could be another payment in advance.

In general, in first half of 2015, BIC has managed the compensation rate as its guidance of less than 40%. Relating to risk management, BIC maintained payable margin above 200% (at 30/06/2016, this margin was 229%), a safe level as compared to leading companies of the industry.

With Q2 results as above, BIC is trading at a trailing P/E of 16.9, higher than the industry average of 13.4 (not including BVH).

The transaction value and volume has increased slightly

VN-index and HNX-Index closed in different fashion up 2.16 points (0.34%) and down 0.93 points (1.07%) respectively. Regardless the opposite closings, developments of the two indices looked similar. Specifically, the number of declining tickers on both bourses was 1.5 times many as the number of gaining ones. On HSX, the index was dictated by some large cap stocks VNM (+2.5%), GAS (+3.4%), VNM (+2.0%) and the insurance stocks group, especially BVH recording the highest daily price.

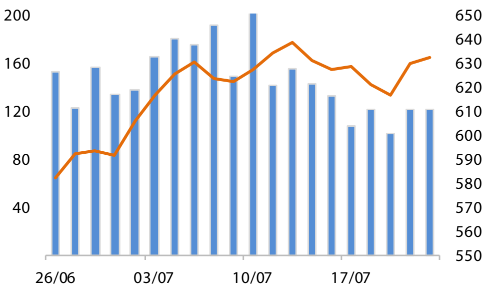
Besides, the market saw improved liquidity with the number of stocks changing hands nearly 164 million shares (+1.5%) at the value of VND2,859.8 bn. Regarding foreign investors trading, foreign investors returned to net buying position on both bourses at VND99.3 billion, typically SSI (VND75.7 bn), DXG (VND12.6bn) and GAS (VND10.4 bn).

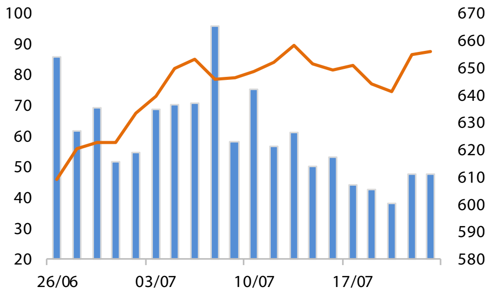
Despite better liquidity, "green in an index and more losses than gainers" status shows its consistence but insufficient momentum to break resistance level of 640. Besides, some large cap tickers have shown strong increases in this week such as HPG (+8.5%), VNM (+5.2%), GMD (+4.6%) and VCB (+4.3%). Therefore, we think that actions of trading investors to realize profit will be happen and make the market to fluctuate wildly in declining trend.

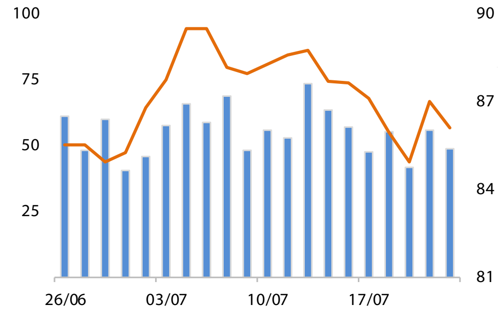
RONGVIET SECURITIES

Advisory Diary

VNINDEX	0.34%	632.01	VN30	0.10%	655.74	HNXINDEX	-1.07%	86.07

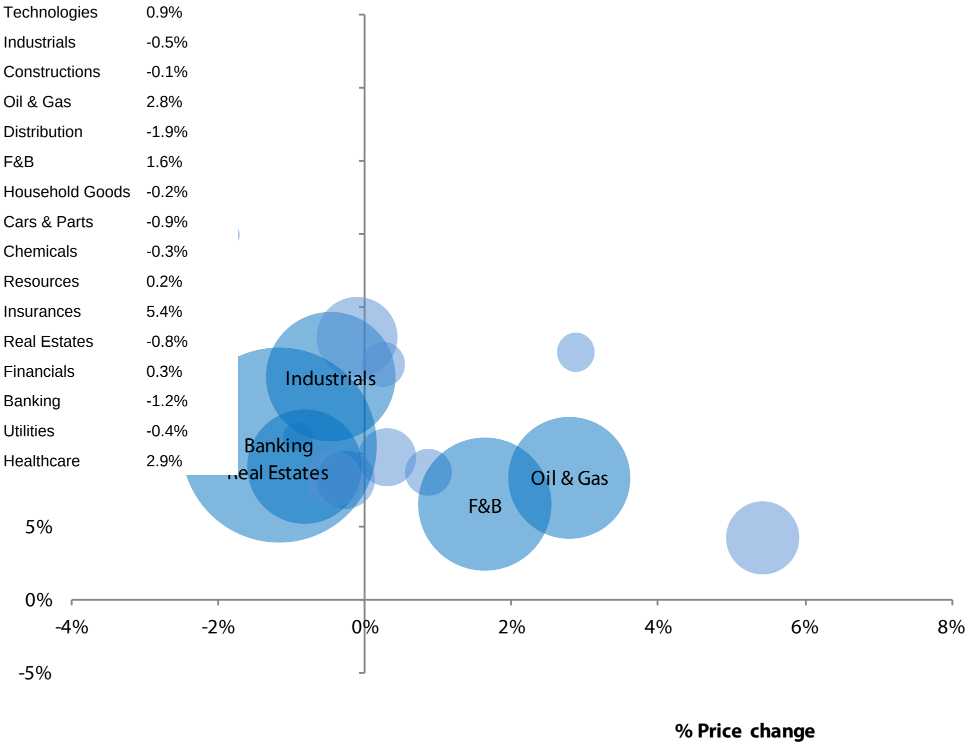




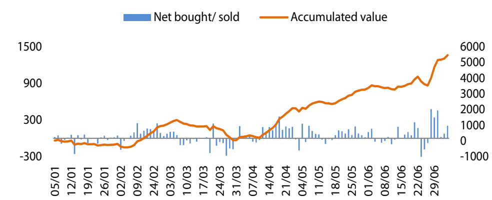


Industry Movement

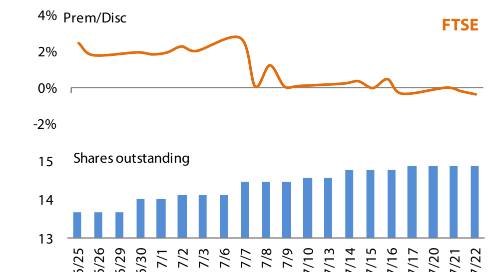
Industry	% change
Technologies	0.9%
Industrials	-0.5%
Constructions	-0.1%
Oil & Gas	2.8%
Distribution	-1.9%
F&B	1.6%
Household Goods	-0.2%
Cars & Parts	-0.9%
Chemicals	-0.3%
Resources	0.2%
Insurances	5.4%
Real Estates	-0.8%
Financials	0.3%
Banking	-1.2%
Utilities	-0.4%
Healthcare	2.9%

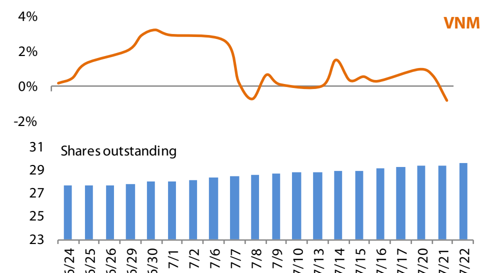


Foreign Investors Trading



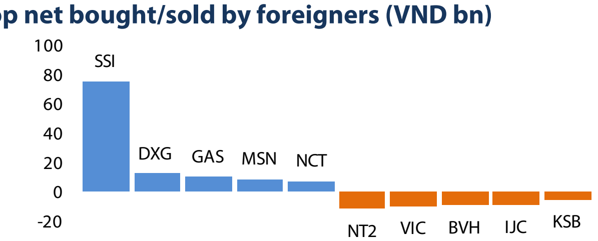
ETF



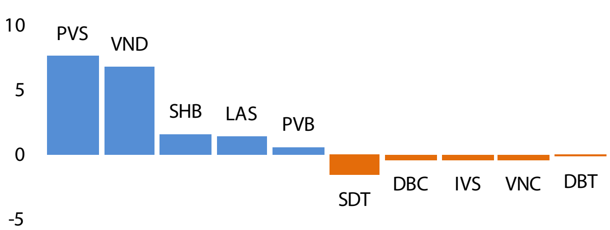


Top net bought/sold by foreigners (VND bn)

HSX



HNX



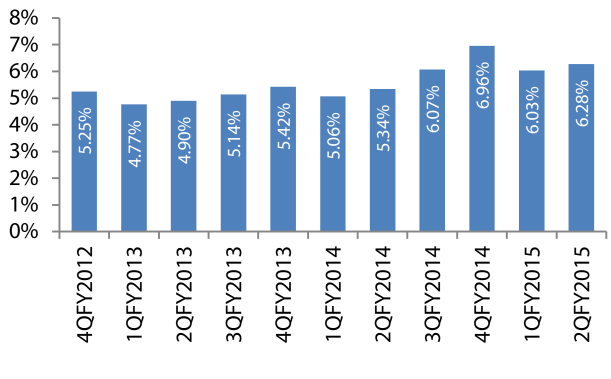
Top Active

Ticker	Price	Volume	% price change
MBB	16.2	0.10	1.3%
SSI	27.2	0.09	1.1%
DLG	7.7	0.07	6.1%
FLC	8.1	0.05	1.2%
CTG	22.8	0.05	0.9%

Ticker	Price	Volume	% price change
SCR	8.9	0.54	-1.1%
SHB	8.7	0.36	-2.2%
KLF	6.1	0.34	-4.7%
VND	14.8	0.34	0.7%
KVC	36.7	0.27	9.9%

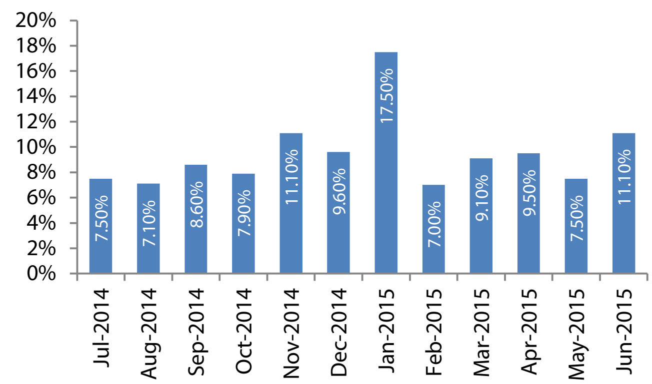
MACRO WATCH

Graph 1: GDP Growth



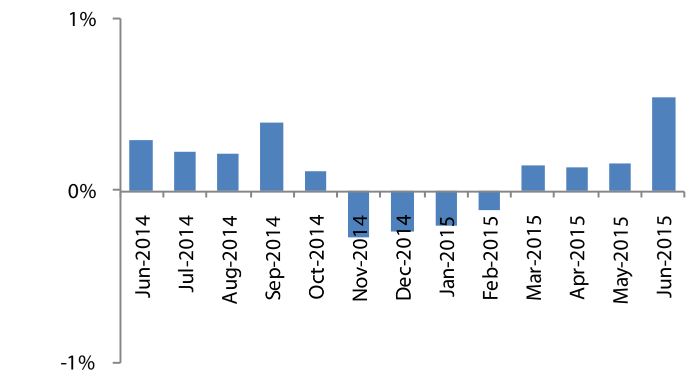
Sources: GSO. Rongviet Securities database
(*) Comparision price in 1994

Graph 2: IIP



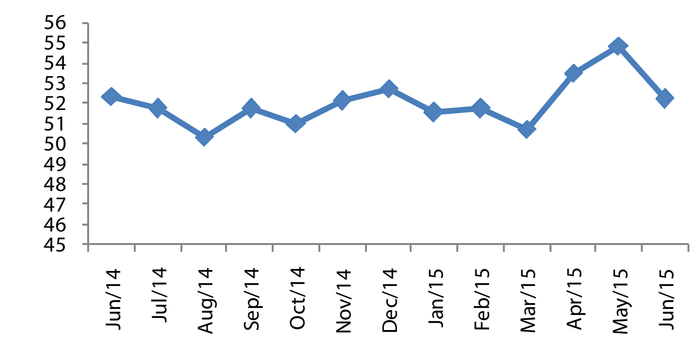
Sources: GSO. Rongviet Securities database

Graph 3: Monthly CPI



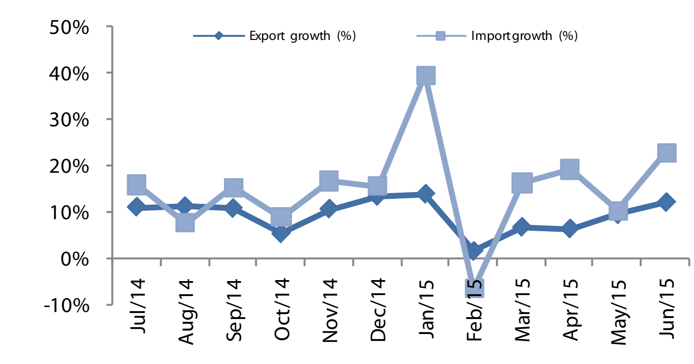
Sources: GSO. Rongviet Securities database

Graph 4: HSBC - PMI



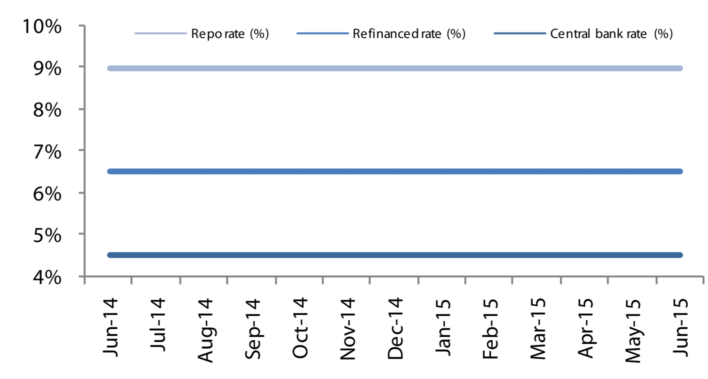
Sources: GSO. Rongviet Securities database

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
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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