NOVEMBER

16

MONDAY

ADVISORY DIARY

- **A global sell-off session**
- **Macroeconomics update: Trade activities slow-down in the remaining months of 2015**
- **Company update: BMP**

A global sell-off session

A global sell-off session after Paris attacks. Similar to other markets such as: Japan (Nikkei index: -2.04%, China (Hang Seng Index): -1.72%, Korea (KOSPI): -1.53%), Vietnam market also corrected widely, with 239 losers/183 gainers. Almost all leading stocks decreased apart from VNM (+VND3,000), causing VNIndex down 2 points. Otherwise, while market witnessed correcting session, Midcap tickers continued to attract cash flow, such as MWG, SKG, VSC, CTD…., which made VNMid to increase over 3 points. It showed that today sell-off would hardly be prolonged with positive cash flow at attractive sectors (logistics-port, automobile,…).

Also, high liquidity would be a strong support for market movement. While market's psychology was affected by geopolitical worries (terror attack in Paris), high demand by high order-matching volume at 172,5 million shares, increasing 10% against last week average) would be supportive factor for next sessions.

Foreigners lowered their net-selling value. Though they sold over VND 358.5 billion last week, they, today, continued to sell but with just low value of VND 33 billion, focusing on recent net-selling tickers: MSN (-VND 53.9 billion), HPG (-VND 16.4 billion) and profit-taking ticker: CTD (-VND 20.2 billion).

So, we considered today session just as a correction due to market's sentiment. High liquidity would absorb gradually selling pressure by geopolitical worries. We think market demand would be sufficient to support market but tomorrow session would probably witness high intraday fluctuation due to compounding impact of such selling pressure and pressure from bottom-fishing 3 days ago, the last day of series of 4 consecutive bearish sessions.

"A global sell-off session"

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Trade activities have been slowing down in the remaining months of 2015.

The Customs of Vietnam has just announced 10/2015 export-import values. In particular, export activities recorded USD 14.31 billion, only upped 1.75% yoy, in which the figure for FDI sector and domestic firm sector increased 8% and deteriorated 10%. *As mentioned in the early AD of November, the slowdown of global demand has paid more pressure on Vietnam economy as the plunge of new export orders in the consecutive 5 months. Thus, the negligible growth in recent months also confirmed the risky slowdown of Vietnam export value.*

In terms of imports, a 4.3% down in the domestic firm sector as well as an unchangeable trend in FDI sector led to the 1.83% decline, reaching USD 13.81 billion. Based on this above figures, we suppose that the decrease in USDVND exchange rate in October, 2015 might somewhat affect import activities. *Moreover, October also witnessed the first month among recent 14 months that trade activities recorded the highest trade surplus of USD 500 million.* In the first 10 months, export and import value recorded USD 134.41 billion and USD 137.99 billion respectively with the accumulated trade deficit value of USD 3.68 billion.

BMP update

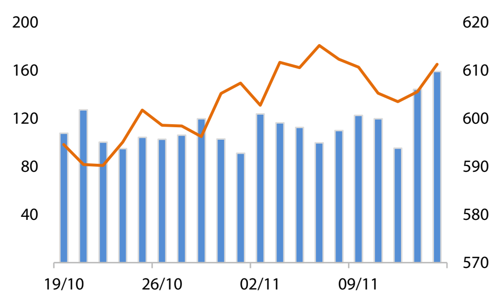
Last week, our industry analyst attended the Investors meeting of Binh Minh Plastics JSC (BMP - HSX). BMP's performance in 9M/2015 recorded an optimistic growth in terms of revenue and NPAT, which are VND2,069 billion (+17.5% y.o.y) and VND389 billion (+43.8% y.o.y) respectively. It is noticeable that BMP's remarkable growth results from (1) the increase in volumes thanks to the optimistic market demand and Long An plant's stable operation and (2) the continuous decline in material prices. According to the company's updates, 9M2015 sales volume reached 49,500 tons, 23.5% higher than the same period of 2014. In addition, plastic powder, a major input material accounting for 70$ cost of sales, has decreased by 10% in price, enhancing the gross margin by 3.5 percentage point comparing to the same period of last year. Based on the prediction that plastic powder price is expected to remain stable or to decline marginally; BMP may continue to benefit from lower material prices in the following quarters. However, in spite of a material price recover, we expect BMP to maintain its optimistic sales volumes owing to the considerable growth in domestic construction activities.

Finally, the long-awaited Long An production facility has been put into operation from July 2015 (starting 1st phase construction at the end of 2014). At the meantime, the firm is running 23 production lines at the new factory capable of making 5,000 tons plastic products annually which could expand to 15,000tons/year. The new plant, on the one side, would relieve the over-capacity situation faced at Production plant 1 (Dist 6, HCMC) and Production plant 2 in Binh Duong. On the other side, this would also enable BMP to further penetrate the potential Southwest and Highland markets (Lam Dong, Dac Lac, Kontum and Gia Lai).

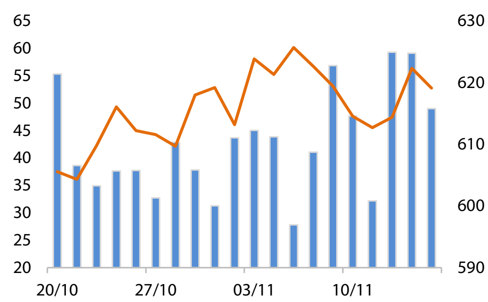
Besides, BMP also plans to expand its market share to the central region. We believe that owning 29.05% stake in DPC is a preparation of BMP for the above strategy. Reportedly, after the period of negotiation, Binh Minh Plastics has received the consent of the DPC's management to restructure and reposition the DPC brand name. We believe that BMP could continue increasing its ownership in DPC in the future. With experience and strong financial strength, the new factory in the central region could help BMP increase its market shares in this area.

In the future, business activities of BMP continued to be supported by the factors mentioned above. Therefore, we maintain a positive perspective of BMP prospects for the last quarter and 2016. We estimate net sales and profit after tax in 2015 may reach VND2,819 billion (+ 16.7%) and VND532 billion, corresponding to a P/E forward of 11.8x – a quite attractive for long-term investors.

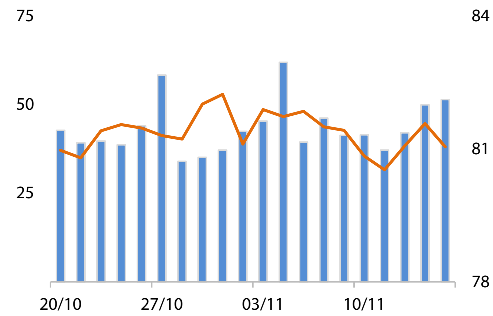
VNINDEX	-0.34%	609.21



VN30	-0.51%	619.14

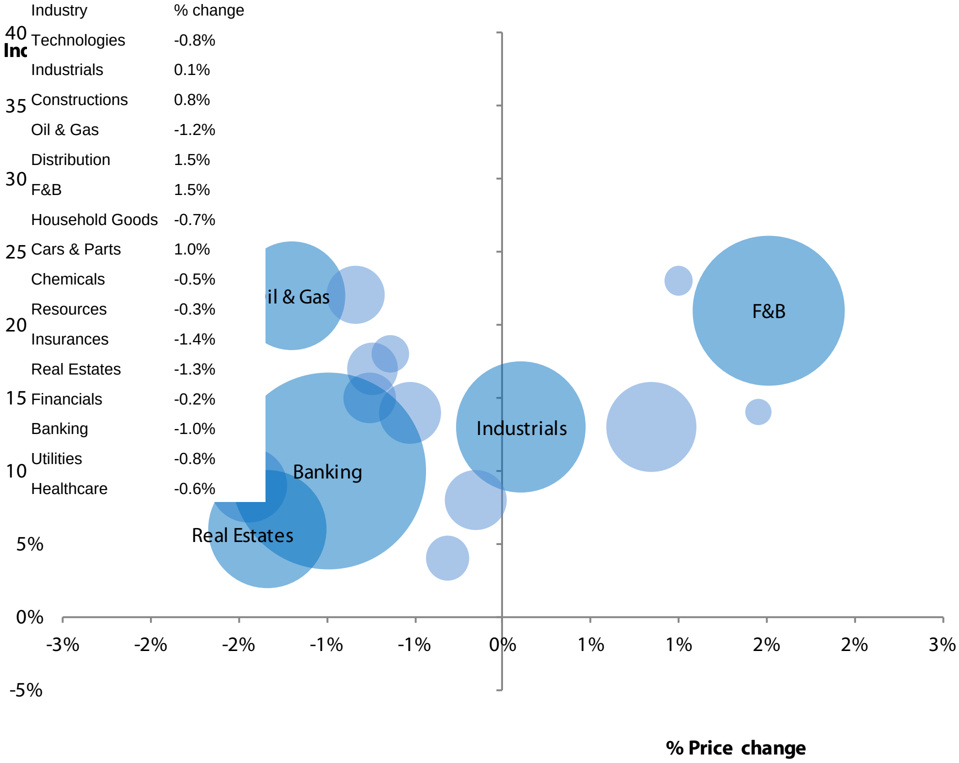


HNXINDEX	-0.64%	81.05

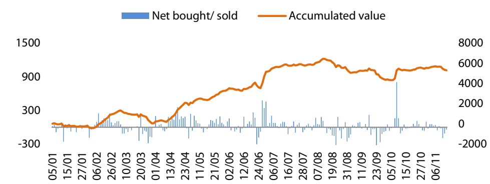


Industry Movement

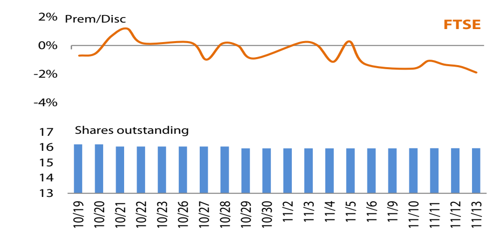
Industry	% change
Technologies	-0.8%
Industrials	0.1%
Constructions	0.8%
Oil & Gas	-1.2%
Distribution	1.5%
F&B	1.5%
Household Goods	-0.7%
Cars & Parts	1.0%
Chemicals	-0.5%
Resources	-0.3%
Insurances	-1.4%
Real Estates	-1.3%
Financials	-0.2%
Banking	-1.0%
Utilities	-0.8%
Healthcare	-0.6%

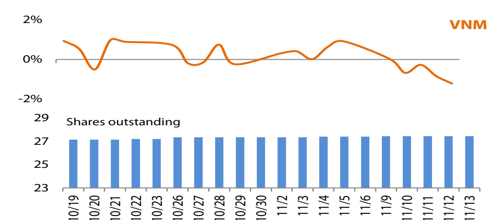


Foreign Investors Trading



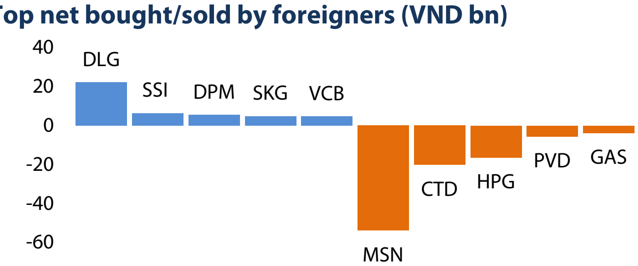
ETF



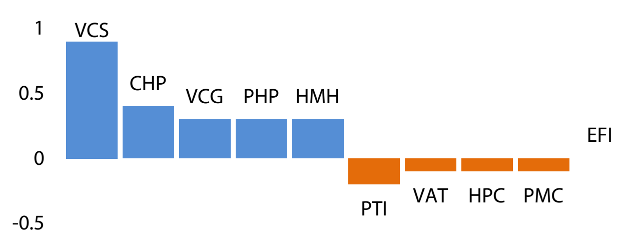


Top net bought/sold by foreigners (VND bn)

HSX



HNX



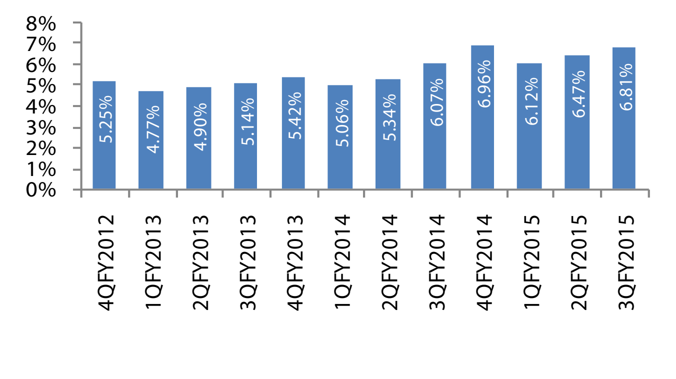
Top Active

Ticker	Price	Volume	% price change
FLC	8.2	15.35	1.2%
FIT	10.9	10.71	3.8%
OGC	3.1	6.10	-3.1%
CII	20.8	4.95	-1.9%
SBT	17.5	4.61	3.6%

Ticker	Price	Volume	% price change
SCR	8.6	11.05	4.9%
KLF	4.4	3.98	-4.3%
VIX	7.5	2.46	8.7%
TIG	11.3	2.35	0.9%
ACM	4.7	1.88	9.3%

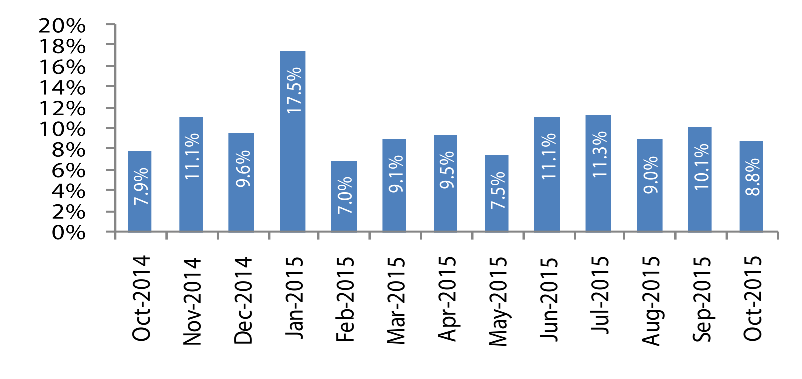
MACRO WATCH

Graph 1: GDP Growth



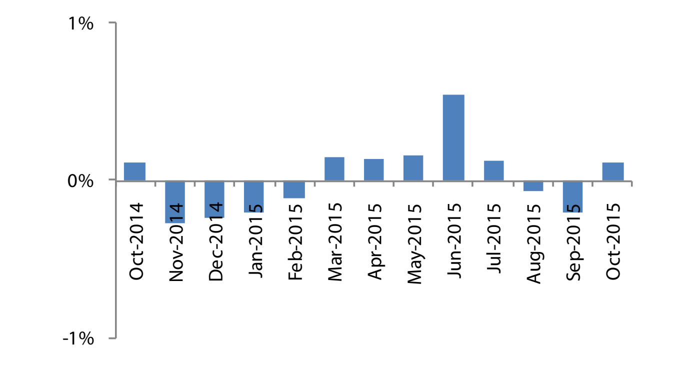
Sources: GSO. Rongviet Securities database
(*) Comparision price in 1994

Graph 2: IIP



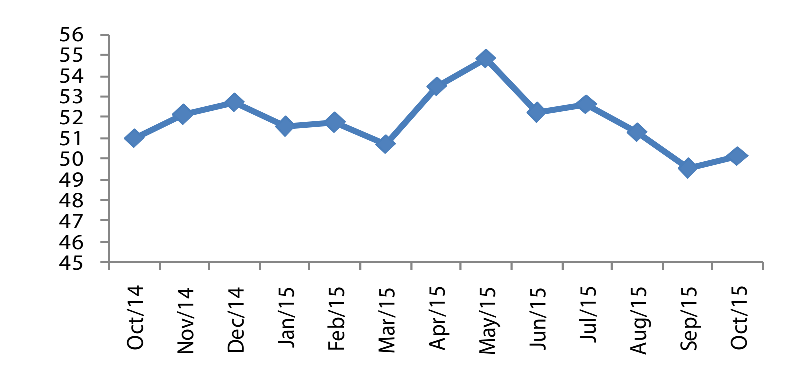
Sources: GSO. Rongviet Securities database

Graph 3: Monthly CPI



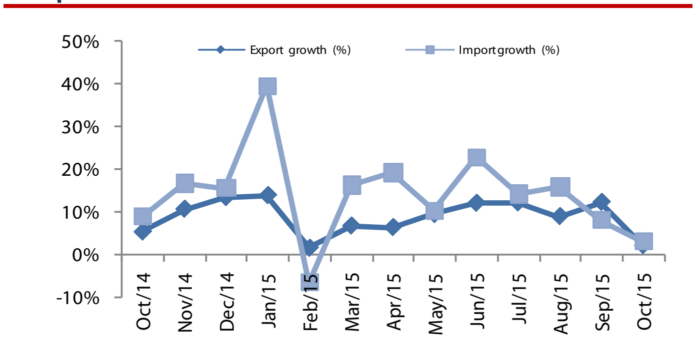
Sources: GSO. Rongviet Securities database

Graph 4: HSBC - PMI



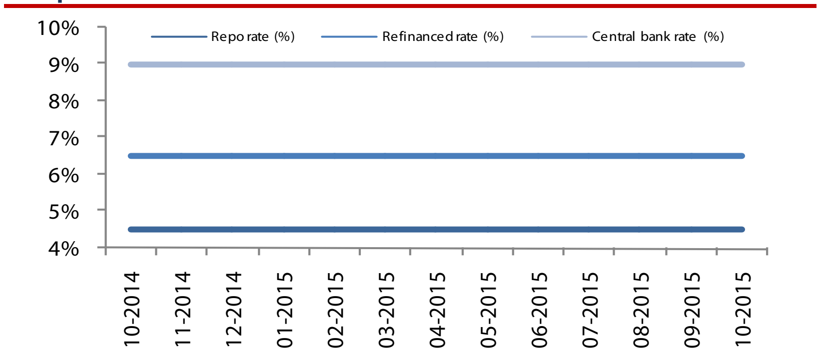
Sources: GSO. Rongviet Securities database

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
DRC - Expecting on replacement segment.	November 13th, 2015	Accumulate – Long term	52,000
NKG- Capital ravels to be untangled	November 6th, 2015	Neutral – Intermediate term	17,400
DMC - Restructuring sparks positive changes	October 30th, 2015	Accumulate – Intermediate term	49,000
HSG - New investments: The engine of growth	October 29th, 2015	Accumulate – Long term	52,500
KSB - Rock-solid foothold in the construction stone	October 28th, 2015	Buy – Intermediate term	38,400

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	03/11/2015	0% - 0.75%	0% - 2.5%	12,058	12,047	0.09%
VEOF	03/11/2015	0% - 0.75%	0% - 2.5%	10,674	10,488	1.77%
VF1	11/11/2015	0.2% - 1%	0.5%-1.5%	24,055	24,092	-0.15%
VF4	11/11/2015	0.2% - 1%	0%-1.5%	10,886	10,869	-0.02%
VFA	05/11/2015	0.2% - 1%	0%-1.5%	7,517	7,461	0.76%
VFB	05/11/2015	0.3% - 0.6%	0%-1%	12,490	12,409	0.66%
ENF	06/11/2015	0% - 3%	0%	12,233	12,170	0.52%
MBVF	05/11/2015	1%	0%-1%	10,974	10,991	-0.15%
MBBF	04/11/2015	0%-0.5%	0%-1%	12,489	12,438	0.41%

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