11

WEDNESDAY

- **History is calling for a peak**
- **NBB – Impressive sales jump urges land bank expansion**
- **DCM update**

History is calling for a peak

YTD statistic data may tell some stories. Today is the 6th time markets down 4 days in a row in 2015. For the rest 5 times, after the slide came a strong gain or a significant plunge.

At least 4 consecutive down sessions	VNIndex down by	VNIndex tendency before 4 consecutive bearish sessions	VNIndex tendency after 4 consecutive bearish sessions
29/1-03/2 (4 sessions)	4,5%	**Upward**	Surge to **a peak of 600** at 04 March
23/3-30/3 (6 sessions)	5,2%	Downward	Strong rally in downtrend price channel
23/6-26/6 (4 sessions)	2,2%	**Upward**	Stretch to **the highest YTD level**, 638.7
11/8-17/8 (5 sessions)	6,7%	Drop from peak of 638.7	Drop further
19/8-24/8 (4 sessions)	9,1%	Downward	Rally strongly and remaining that upward trend until now
6/11-11/11 (4 sessions)	1,2%	**Upward**	

Source: RongViet Research

"History is calling for a peak"

In our statistics, it is high likely that market would probably see a strong rally, similar to the first and third case in above table, to establish the last peak of year 2015. However, after four straight correction sessions, VNINdex only declined 1.2%. So, we expect market will accumulating more by rotating up and down sessions before peaking.

However, during the period that markets try to pull themselves up to form peaks, similar to 1st and 3rd points in the table, there could be several leading stocks experienced significant rebound in order to push VNIndex, creating a short-term spillover effect and surge sessions in term of liquidity. Market risks, accordingly, could be increased, meaning that there could be a strong rally followed up by a deep adjustment phase. Under such scenario, we believe that investors that prefer "surfing" stocks could take the advantage of strong correction sessions in order to buy stocks that attracting cash flow to serve the "T+" preference. Meanwhile, long-term investors should be conservative and only disburse when favorite stocks approaching the target prices.

DCM. A leading company in urea production has recently released its Q3/2015 performance, which is PetroVietnam CaMau Fertilizer JSC (**DCM-HSX**). In contrast to the optimistic performance delivered by DPM who is in the same industry, DCM recorded only VND 14.79 billion for the third quarter's pretax profit and VND 467.28 billion for 9M2015, reaching just 70.6% of its 2015 target.

In the last quarter, even though benefiting from GAS's low gas prices, DCM bore the burden from its financial expense. Its financial expense for Q3 was around VND 295.2 billion. 9M2015 financial expense was VND 588.8 billion, out of which 401.9 billion was the loss from exchange rate.

The National Assembly approved the issuance of USD3 billion international bond as well as 5% increase in basic salary. Revenue – Expenditure has been one of the highlight spot lately.

Although facing difficulties in terms of budget revenue, the National Assembly will spend VND11,000 billion to fund for 5% Government wage increase. The National Assembly has agreed to diversify government bond term for the issuance in 2015 and 2016 as well as issue USD3 billion international bond for debt payment and social development expenditures. RongViet Research will discuss thoroughly in upcoming AD.

NBB – Impressive sales jump urges land bank expansion

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Our analyst had yesterday a discussion with the representative of NBB Investment Corp (HSX – NBB) with regard to the sales progress at the company's real estate projects and the investment plan for the current pipeline. The firm has recently attracted back to HCMC from Central provinces by the vibrancy of the city's real estate market.

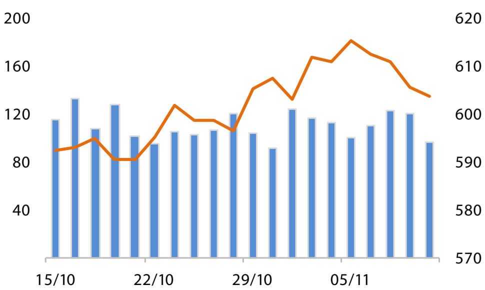
The main selling project of NBB in HCMC is City Gate Towers (Dist.8). On a land parcel of 1,9ha and consisting of over 127,000m^2 of GFA and 1,092 apartments unit, the project has materialized a handshake between NBB and a Japanese property developer, i.e. Creed Group. As far as we concern, sales at City Gate Towers have speeded up significantly since late 2Q2015 to an average rate of over 200 units/months since August. By now, over 90% of the units have changed hands. Prices in the last block (marketed Oct. 2015) are now around VND18 million per square meter, a 12% increase from the starting price of first block (marketed since Dec. 2014), or around VND16 million per square meter. Such progress is impressive, even in the current market. Separately, NBB said the firm managed to capitalize on the sharp devaluation of the VND in Q3 given that the per-square-meter construction cost was agreed with Creed Group on a USD basis. City Gate Towers will see its two basements finished in mid-November and will hand over units at the end of May 2017. Nonetheless, we expect NBB to achieve 100% unit sales by the end of this year. On top of the recovery of the overall market, we realize that it was the advantageous location, affordable price and little competition in the area that has contributed to the success of the City Gate Towers.

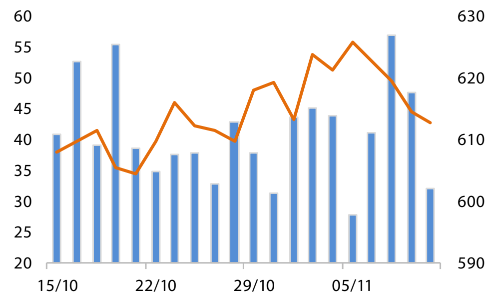
In an attempt to cash in on the thriving property market, NBB plans to continue with an adjacent project, i.e. Diamond Riverside, in 2016. As pre-development work, the firm will buy back 40% of the stakes in Diamond Riverside from CII to gain control of the project. Plus the amounts for compensation, clearance and land-use tax, an additional VND200 billion may have to be invested before the construction can begin. Siding the Vo Van Kiet Boulevard, Diamond Riverside is advantaged by a location just as favorable as that of its sisters, i.e. City Gate Towers and Carina Plaza. The project consists of 4.15ha of land area, 1.711 apartment units and according to the new plan, 3,000 m^2 for villa construction. In the wake of a celebrated City Gate Towers, Diamond Riverside is bound to have a good head start. NBB also revealed that it may enter the high-end real estate segment by acquiring a tract of loan in Thu Thiem Urban Area.

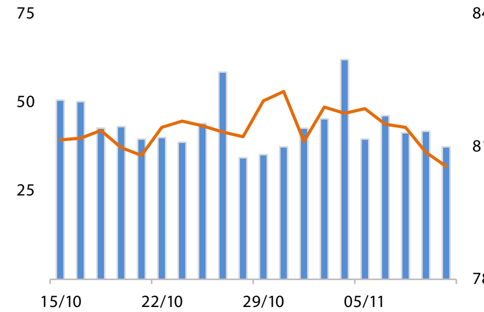
We estimate NBB's 2016 capex at around VND500 billion. In September, the firm announced it had issued VND210 of 5-year, 8-percent convertible bonds, which may be converted to common stocks 6 months after the issuance at no least than VND21.000/share. As far as we concern, NBB plans to issue another round of CBs, face value VND600-700 billion, conversion price at VND27,000/share at 5% per annum for its "longstanding partner", i.e. CII. The market has been looking forward to a handshake between CII and NBB for a long time now. The rumor has recently gone as far as saying that an acquisition is coming close. In our opinion, cooperating with a resourceful partner such as CII will give NBB access to the much needed capital for its real estate pipeline. The catch is that the company's largest shareholders may lose much if not all of control they have in the business. Thus we see the latter CB issuance was a calculated step by NBB to avoid selling shares directly to CII thus losing its independence while retaining the access to whatever resources and/or opportunities CII my offer.

Given its well-located and growing land bank in HCMC, we see lot of opportunities for NBB as the warmth of the property market spreads. Today, NBB closed at VND22,300/share, a 17% discount from our target price. Considering the potential of the NBB's land bank, we think investors who plan to raise allocation to the real estate sector can accumulate the stock for a long-term horizon. Despite good sales City Gate Towers, we do not expect much of NBB in term on earnings growth this year and the next as the company will not handover sold units at the said project until mid-2017.

VNINDEX -0.29% 603.53 | VN30 -0.30% 612.71 | HNXINDEX -0.38% 80.53

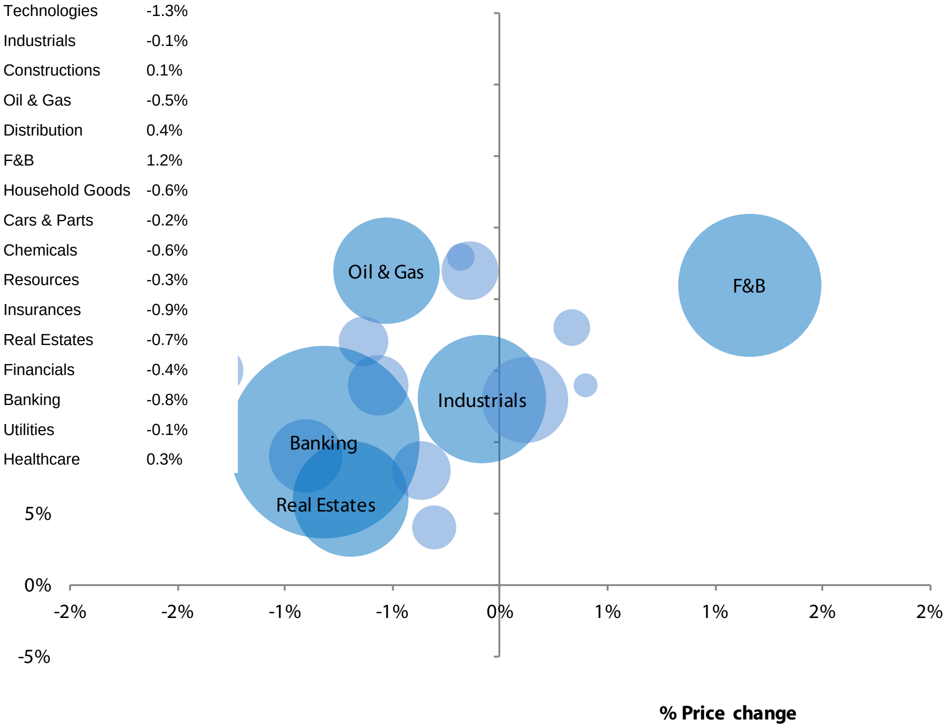




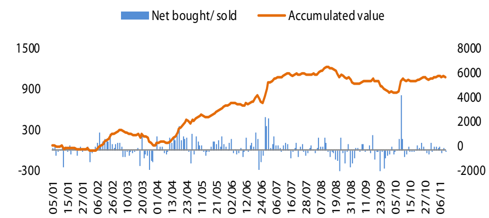


Industry Movement

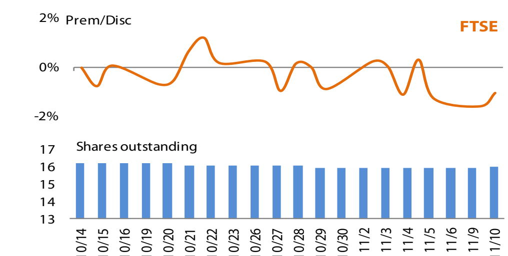
Industry	% change
Technologies	-1.3%
Industrials	-0.1%
Constructions	0.1%
Oil & Gas	-0.5%
Distribution	0.4%
F&B	1.2%
Household Goods	-0.6%
Cars & Parts	-0.2%
Chemicals	-0.6%
Resources	-0.3%
Insurances	-0.9%
Real Estates	-0.7%
Financials	-0.4%
Banking	-0.8%
Utilities	-0.1%
Healthcare	0.3%

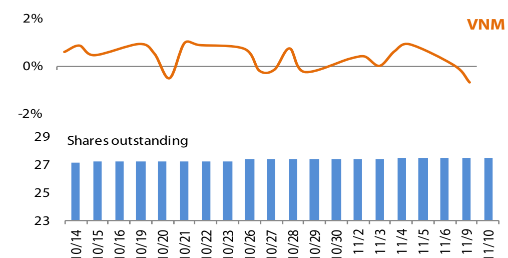


Foreign Investors Trading



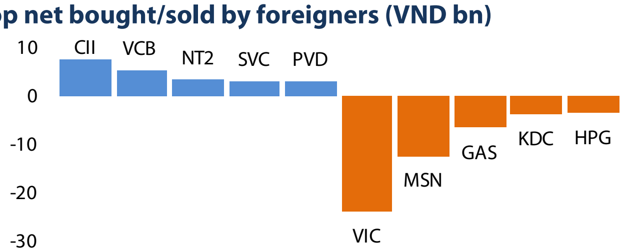
ETF



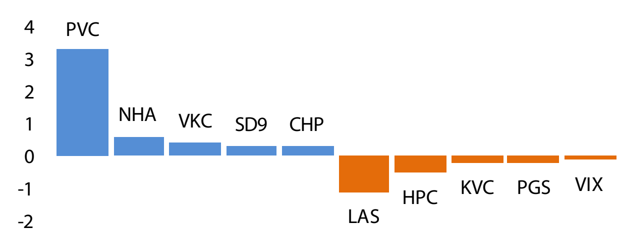


Top net bought/sold by foreigners (VND bn)

HSX



HNX



Top Active

Ticker	Price	Volume	% price change
OGC	2.9	9.02	3.6%
FLC	7.4	7.16	-2.6%
DLG	9.0	3.97	1.1%
SBT	16.9	3.34	2.4%
CII	21.2	2.60	1.0%

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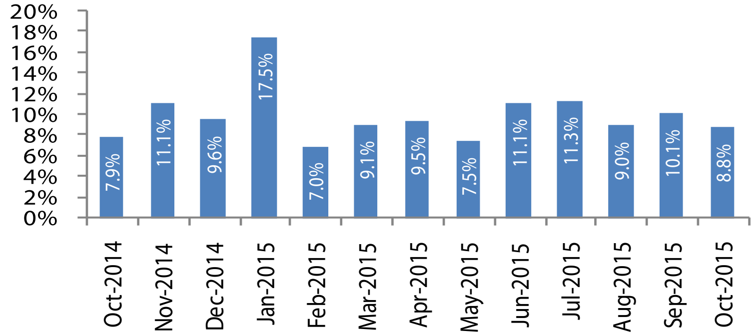
MACRO WATCH

Graph 1: GDP Growth

Sources: GSO. Rongviet Securities database

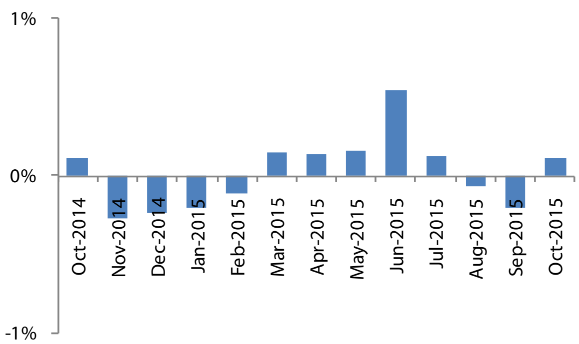
(*) Comparision price in 1994

Graph 2: IIP



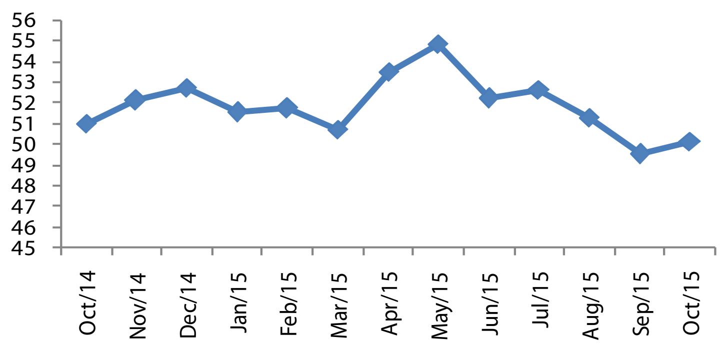
Sources: GSO. Rongviet Securities database

Graph 3: Monthly CPI



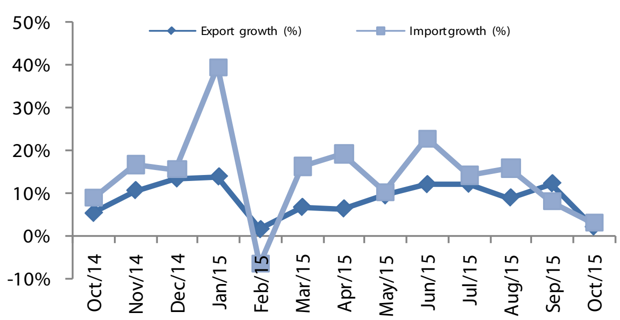
Sources: GSO. Rongviet Securities database

Graph 4: HSBC - PMI



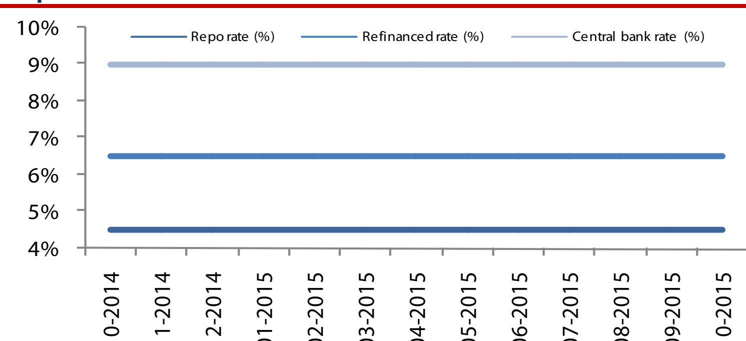
Sources: GSO. Rongviet Securities database

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
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
HHS - Riding on a rough road	October 28th, 2015	Neutral – Short term	20,100
PVT - Upside potential outweighs short-term risks	October 20th, 2015	Buy – Long-term	15,900

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	20/10/2015	0% - 0.75%	0% - 2.5%	12,030	11,946	0.70%
VEOF	20/10/2015	0% - 0.75%	0% - 2.5%	10,558	10,473	0.81%
VF1	28/10/2015	0.2% - 1%	0.5%-1.5%	23,992	23,909	0.34%
VF4	28/10/2015	0.2% - 1%	0%-1.5%	10,788	10,747	0.38%
VFA	22/10/2015	0.2% - 1%	0%-1.5%	7,438	7,488	-0.67%
VFB	22/10/2015	0.3% - 0.6%	0%-1%	12,421	12,409	0.10%
ENF	23/10/2015	0% - 3%	0%	11,963	11,943	0.17%
MBVF	22/10/2015	1%	0%-1%	11,000	10,965	0.32%
MBBF	28/10/2015	0%-0.5%	0%-1%	12,438	12,445	-0.06%

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