25

FRIDAY

- **Buy first – rest later**
- **CVT - New granite plant could be a big growth driven factor from 2016**
- **PVT – Annual earnings to see all-time high in 2015**

Buy first – rest later

Overall, the stock exchanges developed toward "red core covered in green" situation. The increase momentum came from leading stocks such as MSN (+VND4,500/share), BVH (+VND1,000/share), VIC (+VND400/share). However, the disagreements in leading stocks hinder the way to achieve 570 points. Ending today session, VNIndex reached 567.67 points (+1.5 points) while HNIndex declined by 0.2 points to 78.09 points. Total liquidity recorded a 17.5% d.o.d improvement with total matching volume. Foreign investors also show several signs of optimistic. If last session, this group was in net-selling position of VND8 billion, foreign investors today net-bought the total value of VND54.5 billion in both exchanges..

GEX ticker which is trading on UPCOM surprisingly became a focal point in today's session due to abnormal trading volume of nearly 122 million shares changed hands (~VND 2000 billion). As registered early on, the Ministry of Industry and Trade will divest its investment from GEX in effect from Dec 25 2015 to January 22 2016. So, given the number of shares traded today, the ministry in relevant has entirely divested the announced investment.

Festive season factor (Christmas and New Year holiday) has seen to cause market activities to recede and limited the market development in small range from 566-570. However, as the weekend approached, market liquidity was slightly improved with credit to a change from foreign investors' position from selling (VNM ETF 's divined payment period) to buying.

The dropped pressure has almost dried up, corporations 'performance has gradually leaked and our statistics also showed the result of up-trend in 2 final week of the year (we witnessed last week). With the signal of up-trend, although liquidity will be low in next week, we expect the indexes will improve. Accordingly, VNIndex is able to rise with a growth higher than interest rate. It means that VNIndex is expected to close at 575-580 point.

We recommend that investors holding cash should set the plan for investment or expenditure into shopping/business in the year end. Moreover, correction would occur in individual stocks. Therefore, it is the time to accumulate these stocks whose 4Q2015 business result and 2015's prospects are positive. For those who are stock holders, closely following business results of their portfolios to decide long/short positions is recommended. Moreover, markets might experience normal fluctuation; hence, investors should not sell of their stocks in correction sessions.

"Buy first – rest later"

Huong Pham

+ 84 8 6299 2006 | Ext: 1314

huong.pt@vdsc.com.vn

Thien Bui

+ 84 8 6299 2006 | Ext: 1321

Thien.bv@vdsc.com.vn

CVT - New granite plant could be a big growth driven factor from 2016

The flourish of real estate market and positive construction activities have been positive support elements for business operations of many building material companies. In the first 9 months of 2015, there was about 58% of listed construction building enterprises having better revenue and earnings than the same period last year; this proportion rose to 75% for tile ones. Of which, we realize that CMC JSC (HNX - CVT) has positive earnings growth and relatively good outlook in the upcoming years.

CMC Corporation specializes in manufacturing and distributing many kinds of tiles for the walls, floors with diverse colors and sizes. The company has two plants in Phu Tho province; the distance between the two is only about 5 km. The plant no. 1(CMC1) mainly produces small-sized ceramic tiles with the design capacity of 5 million m^2 / year. Meanwhile, the first production line of the plant no. 2 (CMC2-1) completion has been upgraded to be able to produce 6 million m^2/year of high quality ceramic tiles; the second line of this plant has been newly invested to produce 4 million m^2/year granite tiles in August, 2015. Granite tiles are more appreciated than ceramic tiles thanks to the outstanding characteristics such as hard fade, scratch-good, low water absorption and high strength properties; however, average selling price of these products is generally 1.5-2 times higher than ceramic tiles of the same kind.

According to Decision No. 1586/QD-BXD dated December 30th, 2014 of the Ministry of Construction on approving the plan for development of ceramic, porcelain building materials, stone floor and wall tiles in Vietnam by 2020, demand for paving materials is expected to be 570 million m^2/ year; of which, the volumes of ceramic, granite, cotto and stone tiles are 350, 140, 50 and 30 million m^2/year, respectively. The resolution also orients no new investment or expansion in ceramic tiles; instead focusing on the development of granite tiles to raise the proportion of granite from ~18% to 25%. Thus, compared with the quite modest production capacity, of about 54.5 million m^2/year, the room for the growth in consumption volume of this tile is considerable. Besides, high import tax policy with Chinese products (20-40%, effective from 01/06/2011) has also significantly reduced the proportion of imported tiles from 70% (FY 2010) of 50 % (FY 2014). Therefore, we believe that the consumption prospect for the new product line - granite tiles of CVT is quite optimistic.

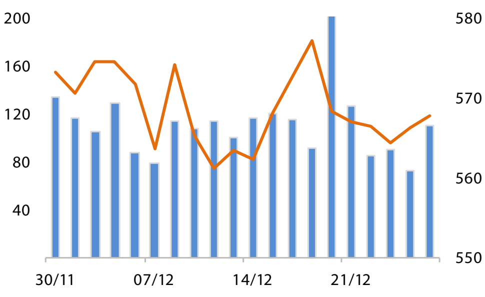
However, the new factory investment arises many expenses and the time of interruption was relatively long (the company lost two months laying gas system connections in the quarter 3/2015 and 10 days off in November to upgrade the system), therefore, we suppose that the earnings in 2015 might not have significant growth. We estimate that the consumption volume in 2015 could reach 8.5 million m^2, of which granite tiles are expected to be 3 million m^2 (there was a part of volume derived in the trial period). The new revenue and NPAT of FY 2015 could reach 729 and 60 billion dong, up 17% and 22% compared with 2014, respectively. The estimated 2015 EPS is ~VND 3,125/share, corresponding to a P/E forward of 7,6x, quite attractive for an entity with relatively high dividend payout ratio and positive growth prospects.

We believe that CVT's advantages are: (1) quite big production scale (total design capacity of 15 million m^2/year); (2) good grasp of market demand with variety of sizes and designs; (3) flexible sales policy and (4) cheap raw materials acquired in Q4/2015 for the bone part (about 30% cheaper than the market) and (5) low material transportation costs …Along with good recovery of the property market and construction activities, we believe the earnings of CVT in 2016 is quite positive with the consumption could reach about 11.5 million m^2. However, the actively expanding capacity of many other businesses could make CVT continue to increase the discount rate to maintain its market share and dominate new markets.

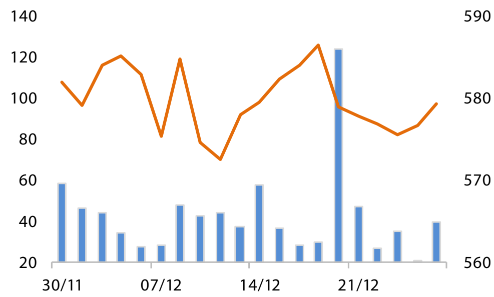
PVT – Annual earnings to see all-time high in 2015

PetroVietnam Transportation Corporation (PVT – HSX) today announced the estimated FY2015 business results. As though, revenue is recorded at VND5,695 billion (+8.1% y-o-y), following by NPAT of VND412 billion (+2.5% y-o-y). If excluding the one-off profit from Kamari tanker sale in 2014(~VND85 billion), the company should report a surge of 32% in its bottom line, the highest earning figure ever recorded since operation. Some catalysts for this year growth can be mentioned : (1) stable operation of Dung Quoc plant, FSO Dai Hung Queen commenced operation from May 2015 as well as (3) the full provision of O&M services for FSO Lewak Emas starting in April 2015. So, FY2015 EPS is accordingly estimated at around VND1,280. Given that, PVT is currently trading at P/E of 7.8x (as of 25/12 closing price), relatively low compared to other companies in the industry. For FY2016 prospect, we project PVT's earnings would see more room for growth thanks to: (1) whole-year FSO services operation (instead of half-year operation in 2015) and (2) increasing transported coal volumes for power plants.

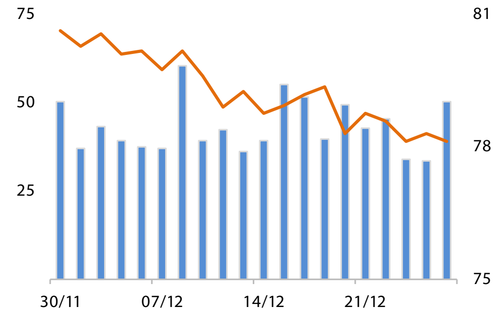
VNINDEX 0.26% **567.67**



VN30 0.45% **579.32**

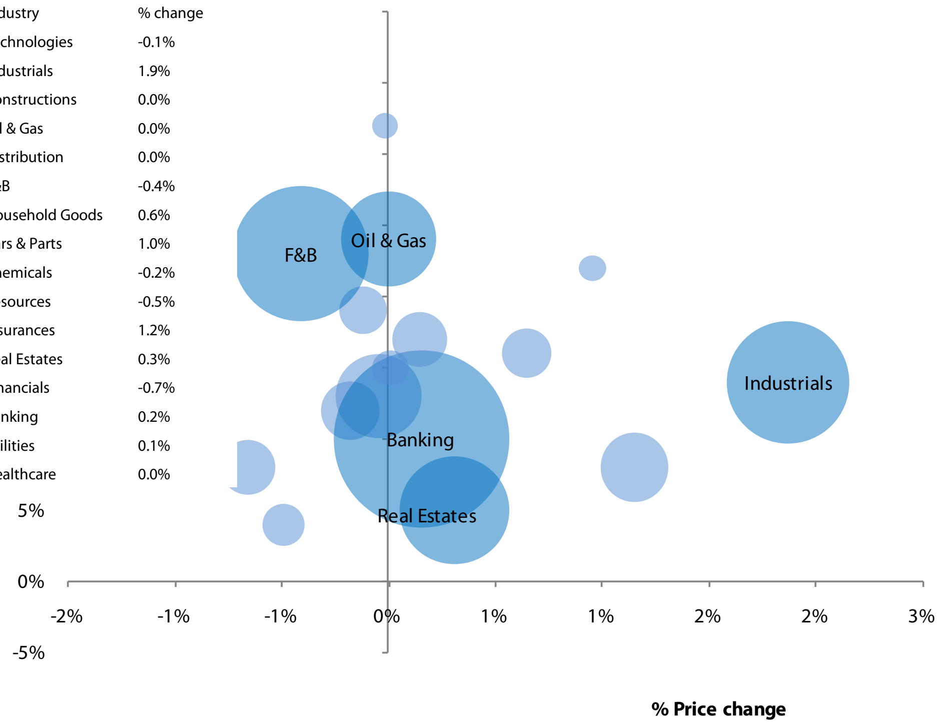


HNXINDEX -0.26% **78.09**

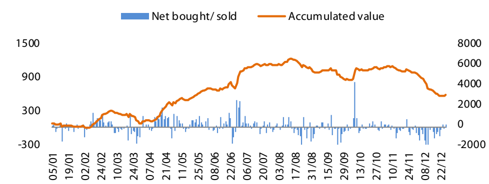


Industry Movement

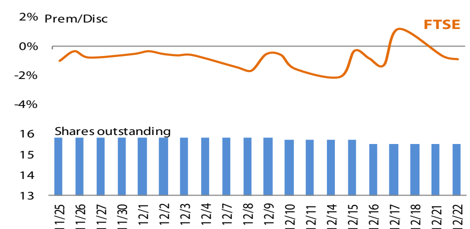
Industry	% change
Technologies	-0.1%
Industrials	1.9%
Constructions	0.0%
Oil & Gas	0.0%
Distribution	0.0%
F&B	-0.4%
Household Goods	0.6%
Cars & Parts	1.0%
Chemicals	-0.2%
Resources	-0.5%
Insurances	1.2%
Real Estates	0.3%
Financials	-0.7%
Banking	0.2%
Utilities	0.1%
Healthcare	0.0%

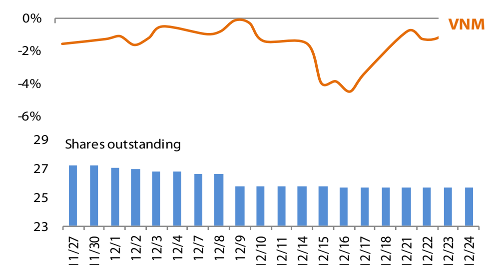


Foreign Investors Trading



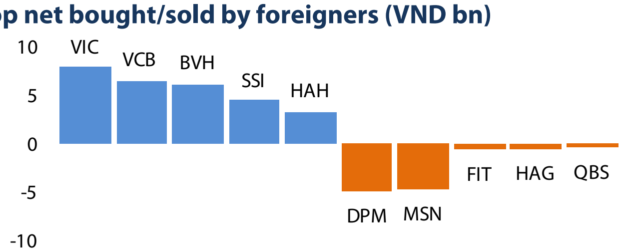
ETF



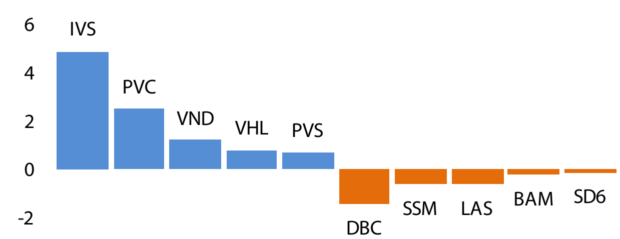


Top net bought/sold by foreigners (VND bn)

HSX



HNX



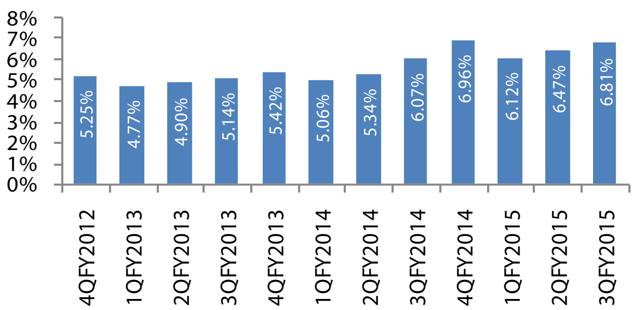
Top Active

Ticker	Price	Volume	% price change
OGC	4.4	9.40	4.8%
HAG	10.9	5.45	-1.8%
FLC	7.9	4.84	-1.3%
HQC	5.4	4.33	-1.8%
DLG	6.6	3.04	-2.9%

Ticker	Price	Volume	% price change
TIG	11.5	4.44	-1.7%
SCR	8.3	2.48	0.0%
KLF	4.3	1.99	-2.3%
ACM	4.4	0.94	-2.2%
PVX	3.1	0.89	-3.1%

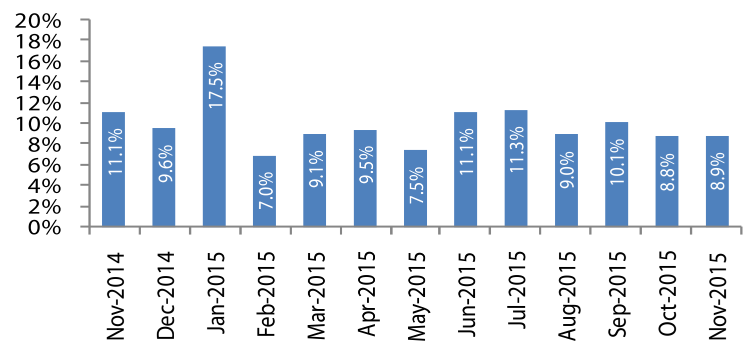
MACRO WATCH

Graph 1: GDP Growth



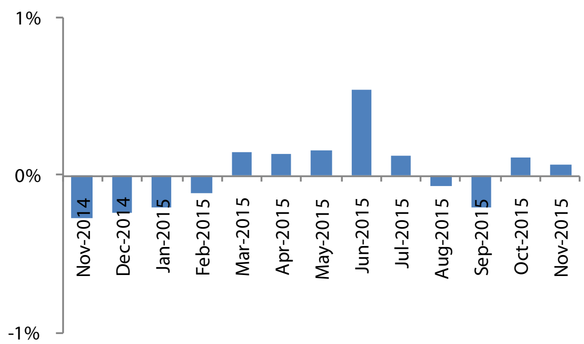
Sources: GSO. Rongviet Securities database
(*) Comparision price in 1994

Graph 2: IIP



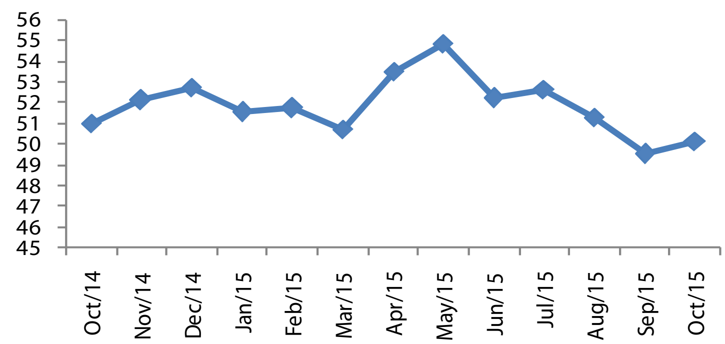
Sources: GSO. Rongviet Securities database

Graph 3: Monthly CPI



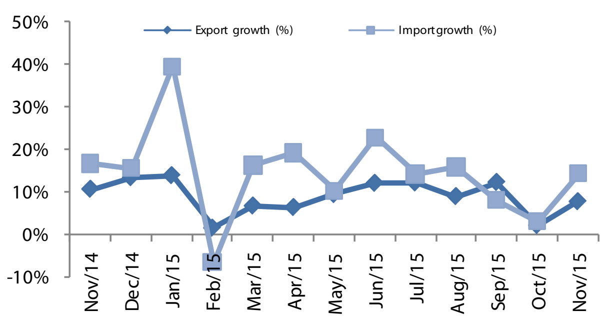
Sources: GSO. Rongviet Securities database

Graph 4: HSBC - PMI



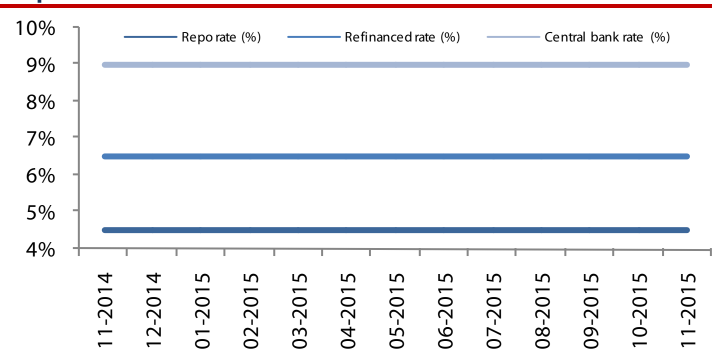
Sources: GSO. Rongviet Securities database

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
ELC- A new growth cycle	December 3rd , 2015	Buy – Long term	33,000
PPC- Positive core business	December 2nd, 2015	Neutral –Long term	21,100
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

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
VF1	17/12/2015	0.2% - 1%	0.5%-1.5%	23,829	23,685	0.61%
VF4	17/12/2015	0.2% - 1%	0%-1.5%	10,840	10,763	0.72%
VFA	17/12/2015	0.2% - 1%	0%-1.5%	7,230	7,173	0.8%
VFB	17/12/2015	0.3% - 0.6%	0%-1%	12,611	12,611	0%
ENF	11/12/2015	0% - 3%	0%	11,938	12,029	-0.76%
MBVF	10/12/2015	1%	0%-1%	10,883	10,839	0.41%
MBBF	09/12/2015	0%-0.5%	0%-1%	12,523	12,507	0.13%
VF1	17/12/2015	0.2% - 1%	0.5%-1.5%	23,829	23,685	0.61%
VF4	17/12/2015	0.2% - 1%	0%-1.5%	10,840	10,763	0.72%

ANALYSTS

Truc Doan – Head of Research

+ 84 8 6299 2006 | Ext: 1308

truc.dtt@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

Thien Bui

+ 84 8 6299 2006 | Ext: 1321

Thien.bv@vdsc.com.vn

Hoang Nguyen

+ 84 8 6299 2006 | Ext: 1319

Hoang.nh@vdsc.com.vn

Ha My Tran

+ 84 8 6299 2006 | Ext: 1309

my.tth@vdsc.com.vn

Tam Bui

+ 84 8 6299 2006 | Ext: 1315

tam.bt@vdsc.com.vn

Van Banh

+ 84 8 6299 2006 | Ext: 1316

Van.btt@vdsc.com.vn

Trien Le

+ 84 8 6299 2006 | Ext: 1317

trien.lh@vdsc.com.vn

Tai Nguyen

+ 84 8 6299 2006 | Ext: 1310

tai.ntp@vdsc.com.vn

Diem My Tran

+ 84 8 6299 2006 | Ext: 1311

my.ttd@vdsc.com.vn

Kien Nguyen

+ 84 8 6299 2006 | Ext: 1320

Kien.nt@vdsc.com.vn

Trinh Nguyen

+ 84 8 6299 2006 | Ext: 1331

Trinh.nh@vdsc.com.vn

Huong Pham

+ 84 8 6299 2006 | Ext: 1314

huong.pt@vdsc.com.vn

HEAD OFFICE
141 Nguyen Du St., Dist. 1, HCMC
T +84 8 6299 2006
F +84 8 6291 7986
E info@vdsc.com.vn
W www.vdsc.com.vn

HA NOI BRANCH
2C Thai Phien St., Hai Ba Trung 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, Nha Trang 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 Dinh Phung St., Ninh Kieu Dist., Can Tho
T +84 0710 381 7578
F +84.710 381 8965
E info@vdsc.com.vn
W www.vdsc.com.vn