

**“Having no adjustment in foreign exchange rate in short-term”**

- **Real estates absorbed huge capital flows**
- **Having no adjustment in foreign exchange rate in short-term**
- **NBB- Q1 Result Updates**

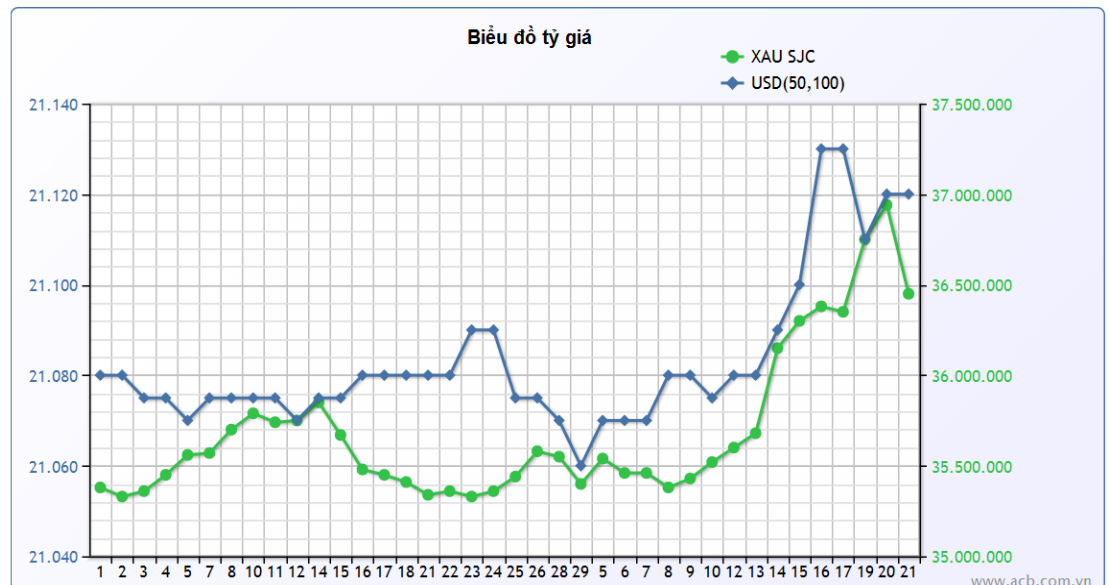
**Real estates absorbed huge capital flows**

The market has a moderate rise (+1.18%) with gain momentum remained during the whole session. Apparently, the investors’ sentiment was much more optimistic as VNIndex got the third consecutive increased days and liquidity rose slightly, of 10%,14% on HSX and HNX. Real Estates was the most impressive industry as huge trading volumes such as FLC (~8 million shares), ITA (~6 million shares), HQC (~5 million shares). We recognized that after remarkable declines, many shares in this group backed to attractive ranges. Thus, a strong rise showed the return of investment in reasonable prices. Noticeably, Real Estates also was the top net bought of foreigners, concentrating on DXG, HDG.

However, we noticed the uncertainty of capital flows in this group. As a result, investors should consider based on fundamentals for investing policy. Particularly BCI, KDH, DXG, TDH in low-income housing sector or ITA, KBC, SZL, LHG in Industrial lands sector. In spite of prospective performances, these tickers also remained potential risks such as liquidity, land areas. Therefore, as our prior forecast, we maintain the comment on medium and long-term rather than short-term in Real Estates.

**Foreign Exchange rate difference**

Recently, foreign exchange has received specific interest after a strong rise in 14 May. In 16 May, the foreign exchange rates reached the highest level at 21,130 VND/USD after remarkable growth at the end of 2013.



Sources: www.acb.com.vn

Link to recent events, we realized that there are correlations between the rise in exchange rates and anti-China protest of workers in Binh Duong and Ha Tinh province. These events made concerns on withdrawal of FDI. Moreover, insecure occurrence also impacted on citizens’ psychology and thus investment channels such as gold, foreign exchange would consider as safety investing. Currently, reference rate at the SBV Operations Centre and Inter-bank average exchange

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rate remain unchanged. Thus, it showed that the State Banks of Viet Nam has not yet any actions on the market.

To comment on foreign exchange rate, we stated that in short-term the State Bank of Viet Nam would not have any adjustments as following reasons (1) Commitment on maintenance foreign rate on narrow range of 1-2%, as a result, the State Bank of Viet Nam would interfere in case of any large gap in order to stabilize the market. (2) Foreign-exchange reserves at the end of April reached VND35 billion might ensure the inference of State Bank. (3) Trade balance in four months of 2014 was surplus of USD2.05 billion. (4) Investors' sentiment was more stable as strong actions of Viet Nam government to stabilize the society.

#### **NBB- Q1 Result Updates**

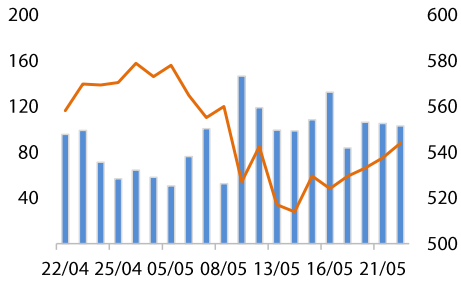
NBB has just announced 1Q2014 result, accordingly, net revenue decreased slightly (-7.5% yoy) while NAT increased 6.5 folds to VND23.6 bn, equivalent to EPS about 662 dong/shares. Our analyst was not surprised by such profit growth results, in 2014, the main income came from three projects: Carina Plaza, KDC Son Tinh Quang Ngai and KDC Ward 2, Bac Lieu. However, in 1Q2014, KDC Son Tinh Quang Ngai do not have enough conditions in order to record in sales due to the issue of land use certificate for house buyer have not completed yet. While Carina Plaza project has been faced obstacles in selling because of big and high value apartment. Thus, 1Q2014 revenue is depended mostly on KDC ward 2 Bac Lieu town project. Though revenue decreased but NAT gained significantly thanks to financial income with more than VND17 bn from transferring BOT Rach Mieu Bridge' share proportion to CII.

In next quarters, financial income would continue contributing considerably to NBB's performance as the Company would finish withdrawing and investment corporation schedules in projects such as City Gate Tower, Quang Ngai Mineral Joint Stock Company- QMI and Da Den Hydropower project. Noticeably, since Q2 the Company would receive about VND178 billion from the increase of capital with the rate 2:1 and about VND210 billion from issuing convertible bonds for foreign investors.

In general, with prospective cash flows due to financial income and capital restructuring, our analyst stated that NBB would be one of attractive tickers in Real Estates.

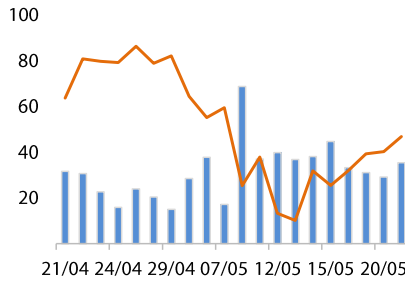
**VNINDEX** +1.18%

**543.88**



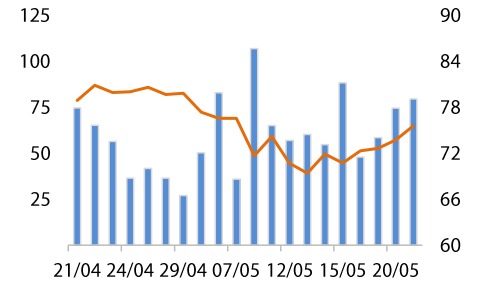
**VN30** +1.11%

**596.82**

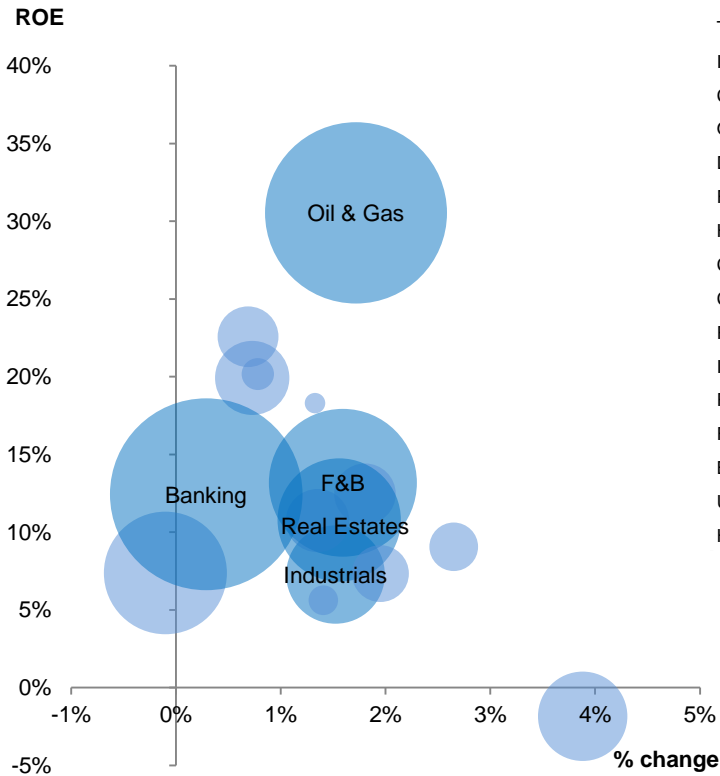


**HNXINDEX** +2.49%

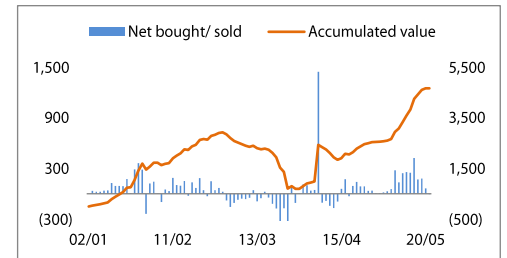
**75.57**



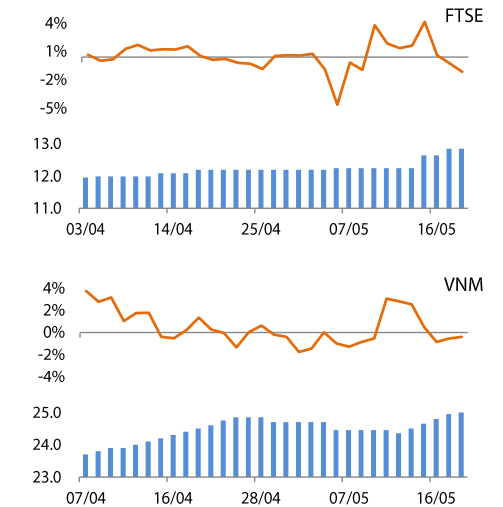
**Industry Movement**



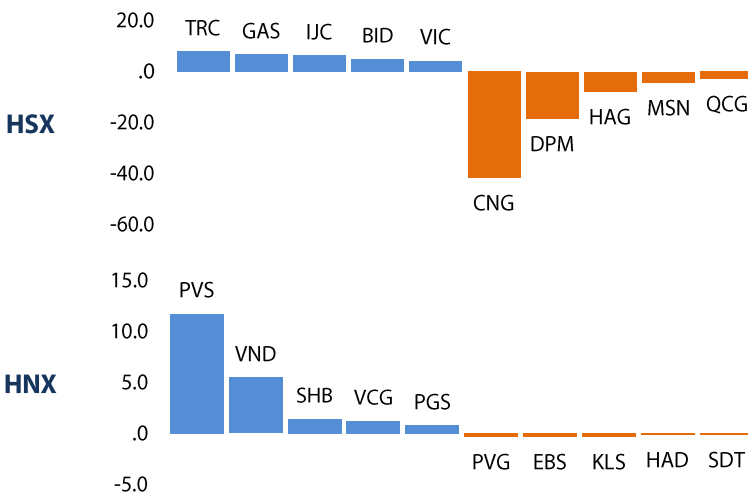
**Foreign Investors Trading**



**ETF**



**Top net bought/sold by foreigners (VND bn)**



**Top Active**

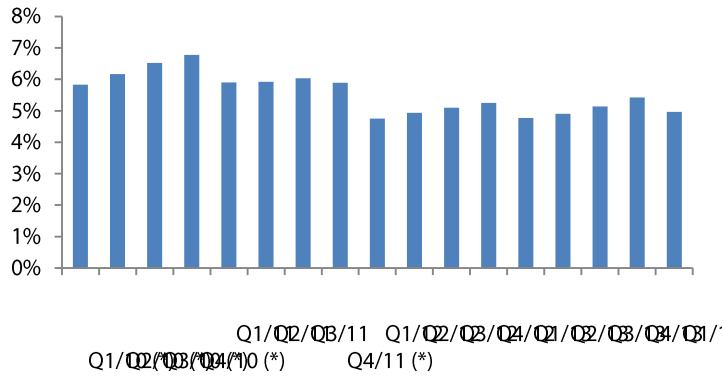
Ticker	Price	Volume	% price change
FLC	10.10	8.10	6.3%
ITA	8.30	6.03	2.5%
HQC	7.10	5.11	6.0%
IJC	12.50	3.82	6.8%
SSI	23.40	3.67	3.1%

Ticker	Price	Volume	% price change
SHB	9.20	12.01	1.3%
PVX	5.00	11.75	6.0%
SCR	8.60	10.32	2.1%
KLS	10.70	5.86	1.8%
SHS	8.20	3.30	2.2%

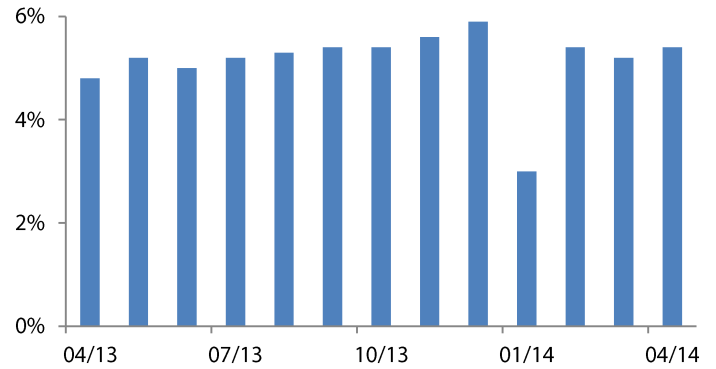
**MACRO WATCH**

**Graph 1: GDP Growth**



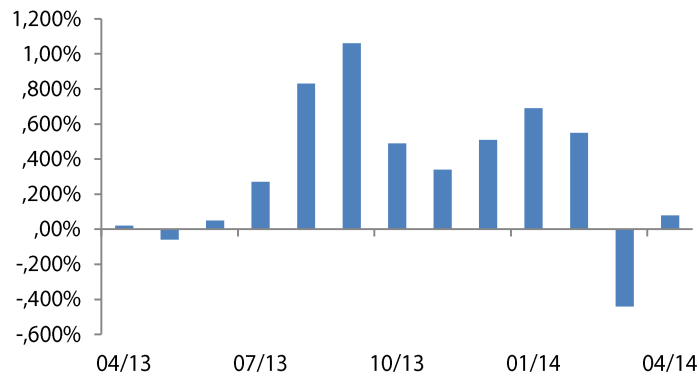
Sources: GSO, Rongviet Securities database  
(\* ) Comparison price in 1994

**Graph 2: IIP**



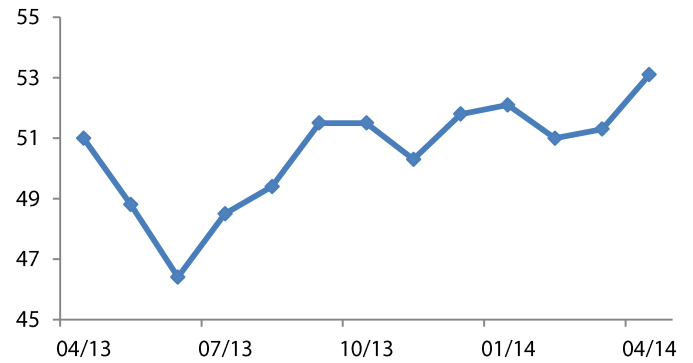
Sources: GSO, Rongviet Securities database

**Graph 3: Monthly CPI**



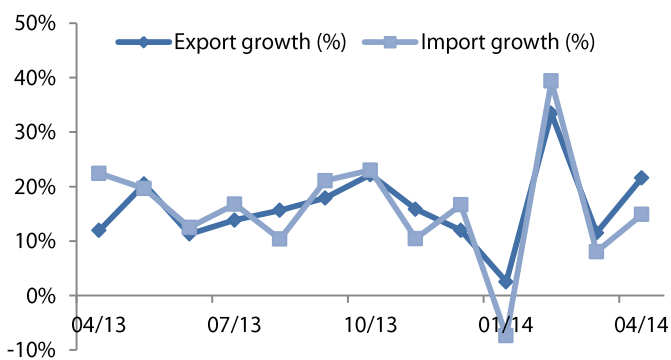
Sources: GSO, Rongviet Securities database

**Graph 4: HSBC - PMI**



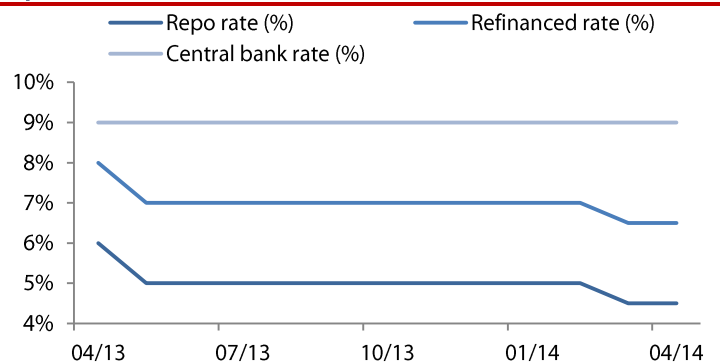
Sources: GSO, Rongviet Securities database

**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
NBB-Strengthened cash flows	May 07 <sup>th</sup> , 2014	Buy – Long-term	36,300
DIG-Reboot	April 28 <sup>th</sup> , 2014	Accumulated – Long-term	19,200
HPG-Sustainable Development	April 24 <sup>th</sup> , 2014	Accumulated – Intermediate-term	55,100
CSM-Radial and long-term growth	April 4 <sup>th</sup> , 2014	Neutral – Intermediate-term	46,700
PPC-Stay firm	April 4 <sup>th</sup> , 2014	Neutral – Long-term	25,200

Please find more information at <http://vdsc.com.vn/tabid/149/language/vi-VN/default.aspx>

**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	06/05/2014	0.75%	0.75%	10,455	10,727	-2.54%
VF1	08/05/2014	0.20% - 1.00%	0.50%-1.50%	21,227	21,917	-3.15%
VF4	07/05/2014	1.00%	0.50%-2.00%	9,502	9,946	-4.46%
VFA	09/05/2014	0.20% - 1.00%	0.00%-1.50%	7,344	7,400	-0.76%
VFB	09/05/2014	0.30% - 0.60%	0.00%-1.00%	10,775	10,771	0.03%
ENF	02/05/2014	0.00% - 3.00%		9,796	9,773	-1.06%

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