JULY

28

FRIDAY

6PM CALL

Market today: A Remarkable Recovery

***(Hieu Nguyen** – Ext: 1514)*

After yesterday's typical correction session, the market has bounced back strongly. Banking stocks (MBB, VCB, BID, CTG) took the lead, and spread the positive sentiment to the whole market. Overall, the VN-Index has recovered quite well this week as it increased from 762 points to 777 points, not to mention the gradually improving liquidity. This week also marked the return of foreign investors as net buyers, whose noteworthy deals included 22 million shares of PGD on Wednesday, 1.4 million shares of HNG on Friday and over 2.5 million shares of VCI throughout the week.

RongViet Research's Comment on Q2 2017 Earnings Result

Vietnam cement industry is faced with an oversupply situation, competition of imported goods, and tax regulation headwinds, namely, (1) not deductible input VAT for exportation and (2) a high exportation tax of 5%. **Accordingly, many cement producers, including listed companies, have disclosed minus growth or loss in the 2nd quarter of this year.** In H1 2017, HT1's NPAT dropped 40% due to slow growth of revenue compared to high COGS and selling & administration expense. Meanwhile, BCC suffered a loss as the company saw a sharp decrease in sales, 13% compared to H1 2016. In order to support the industry, the Ministry of Planning and Investment has asked the Ministry of Finance to consider and report to the Government regarding adjustment of the two aforementioned regulations.

"A Remarkable Recovery"

PHR: Revenue in H1 2017 reached VND658 billion (+59% YoY), and gross profit reached VND125 billion (+132% YoY). This is mainly due to the 55% increase in average selling price, reaching VND45 billion/ton, while the sales volume remained almost unchanged. Moreover, liquidation price of rubber tree also witnessed a strong rise from VND150 million/hectare in 2016 to VND215 million/hectare in H1 2017. This leads to the 144% growth in profit from rubber tree liquidation to VND72.2 billion. As a result, the accumulated NPAT of PHR in the first half of 2017 reached VND142 billion (+108% YoY).

PVD has posted its Q2/2017 results with VND945B in revenue, decreasing by 47% YoY due to drilling activities being impacted when PVD V had no contract and rig day rate was reduced by 35%. The current rig day rate for Jackups in South East Asia is staying at USD25,000 per day. Besides, gross margin plummeted from 16.3% to 7.5%, which led to a 76% drop in gross profit and a loss of VND59B in profit after tax. However, this result is more positive than Q1/2017 thanks to a higher contracted rigs and PVDrilling recorded a profit of VND25B from the joint venture. We also note that the company made an extra VND26B provision from receivables. **In our opinion, exploration activities in Vietnam will still be gloomy while further provisioning will make PVDrilling difficult to fulfill its plan this year. In 2017, the company sets a target of VND2,300B in revenue and no loss.**

Analyst Pin-board

CTD- Gradual Change for a Sustainable Growth

(Ha Trinh – *Ext: 1331)*

If you are interested in this content, please click here to view more detail.

RONGVIET RESEARCH – 2Q17 Results Update

Unit: VND Billion

Ticker	2Q17				1H17				Compared with our estimation
	Net Revenue	%YoY	PAT	%YoY	Net Revenue	%YoY	PAT	%YoY	
DQC	223	10%	26	-63%	418	-7%	50	-53%	☹
PHR	245	4%	75	135%	658	59%	142	108%	☺
DHC	201	47%	16	-23%	361	31%	29	-25%	😐
RAL	530	-9%	35	-12%	1.408	1%	83	23%	☹
SKG	112	9%	62	-5%	201	6%	106	-11%	😐
DHG	926	6%	186	20%	1.808	7%	359	17%	😐
IMP	276	17%	34	75%	500	17%	60	47%	😐
PVT	1.369	-21%	45	-61%	3.021	-7%	152	-20%	☹
MBB	3.479	57%	1.108	39%	6.380	50%	1.998	33%	☺
VCB	7.299	16%	2.016	27%	14.586	19%	4.222	23%	😐
REE	1.156	33%	337	134%	2.244	58%	668	175%	☺
VFG	578	-5%	36	-24%	1.051	-5%	62	-18%	☹
DPM	2.372	-2%	231	-39%	4.350	-2%	454	-42%	☹
STK	470	17%	24	-19%	918	38%	49	52%	😐
TNG	597	20%	28	8%	999	17%	42	6%	☹
TCM	772	-1%	70	154%	1.547	2%	118	137%	☺
PC1	816	-11%	69	-31%	1.383	-12%	129	-37%	😐
CHP	167	108%	59	n/a	412	135%	198	n/a	☺
NT2	1.781	14%	190	-50%	3.550	20%	456	-34%	☹
PPC	1.682	11%	451	n/a	3.158	-2%	593	n/a	☺
DBC	1.073	-33%	-33	-117%	2.549	-11%	-20	-108%	☹
PNJ	2.345	46%	129	7%	5.476	39%	378	54%	😐
PGI	572	9%	47	19%	1.084	8%	79	23%	😐
PAC	680	15%	56	100%	1.372	21%	77	54%	😐
DRC	864	-3%	35	-69%	1.764	8%	105	-47%	☹
PTB	1.031	9%	84	57%	1.954	10%	141	33%	😐
HAX	1.035	21%	-7	-167%	1.814	40%	21	-38%	☹
SVC	3.573	8%	20	-20%	6.722	11%	40	-6%	😐
NKG	3.105	43%	194	-19%	5.497	38%	350	14%	☺
CTD	6.183	24%	412	16%	10.544	29%	713	20%	😐
HPG	10.740	33%	1.535	-24%	21.005	38%	3.469	14%	😐
FPT	10.718	20%	512	-1%	20.136	16%	925	7%	😐
BMP	979	9%	128	-13%	1.737	9%	228	-34%	☹

RONG VIET NEWS

COMPANY REPORTS	Issued Date	Recommend	Target Price
SHP – A Long-term Growth Story	July 20th, 2017	Neutral – Intermediate term	25,400
CHP – Beyond the Expectation	July 20th, 2017	Accumulate - Intermediate term	31,900
NKG – Proving Its Capability	July 19th, 2017	Buy - Intermediate term	39,800
HSG – The most Profitable Business Has Received the Highest Priority	July 19th, 2017	Buy - Intermediate term	40,000
HPG–Robust Core Business	July 19th, 2017	Buy - Intermediate term	36,300

Please find more information at http://www.vdsc.com.vn/en/companyReport.rv?categoryId=302

FUND CERTIFICATES 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	19/07/2017	0.25% - 0.75%	0% - 2.5%	14,632	14,559	0.50%
VF4	16/03/2017	0.25% - 0.75%	0% - 1.5%	6,777	6,802	-0.37%
VFA	14/07/2017	0.25% - 0.75%	0% - 2.5%	15,043	14,838	1.38%
VFB	14/07/2017	0% - 3%	0%	17,306	17,365	-0.34%
ENF	13/07/2017	1%	0%-1%	13,307	13,305	0.02%
MBVF	12/07/2017	0%-0.5%	0%-1%	13,932	13,872	0.43%
MBBF	19/07/2017	0.25% - 0.75%	0% - 2.5%	14,632	14,559	0.50%

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