JUNE

04

THURSDAY

"The prominence of real estate stocks"

Van Banh

+ 84 8 6299 2006 | Ext: 324

Van.btt@vdsc.com.vn

ADVISORY DIARY

- **Updated HSG**
- **The prominence of real estate stocks!**

Updated HSG

Yesterday, 26th June 2015, our analyst had a company visit with Hoa Sen Group JSC (HSX: PGS). On this occasion, we would like to update the latest information to HSG regarding earning result as well as postive outlook of HSG in the upcoming business quarter.

For the first 6 months of fiscal year 2014/2015, HSG has achieved very positive business results. Specifically, revenue reached 8.770 billion VND (+ 32% yoy) while NPAT reached 240,6 billion VND (+ 41.1% yoy). Positive earning result can be achieved thanks to increase in sale volume; of which domestic sales volume increased 32.5% while exports rose 37.6% compared with the same period last year. Notably, even though the second quarter included Tet holidays but its sales volume was equivalent with the first quarter.

The fast distribution speed brought partly an increase of volume. This advantage also contributed to raise market share of galvanized steel products. Particularly, according to VSA, HSG's market share of this product rose from 35.9% in 2014 to 42.3% in very first 4 months of 2015. In term of steel pipe, HSG has been on the track of climbing to the leading position. According to VSG, market share of steel pipe is 18.12%, up 0.34% and the distance between HSG and HPG – the leading company is only 3.42%. For the long-term prospect, HSG expected that installing 15 new steel pipe production lines (6 lines in Vung Tau, 9 lines in Binh Duong) in the end of fiscal year of 2014 and expanding distribution in Middle and North region is able to make it the market leader.

Despite positive growth in revenue and gross profit margin of Q2 from fiscal year 2014 and 2015 with the highest point over the last 7 quarters, gross margin from first 6 months of 2014-2015 was equivalent to the same period (approximately 11.9%). With the stability from HRC price, in average of 380-400 USD/ton and high demand, HSG's gross margin is expected to significantly improve in the next quarters. In addition, according to cyclicality, third quarter will usually be the peak; therefore, business result in Q3 has been forecasted to be more optimistic over the same period of time. Under such prospects, we continue to hold a positive perspective for this stock.

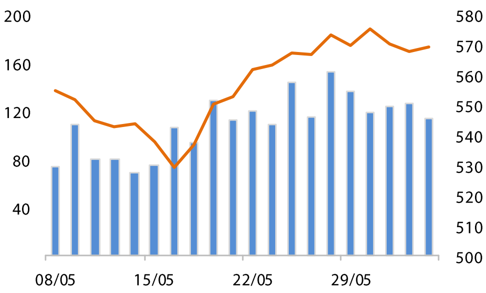
The prominence of real estate stocks

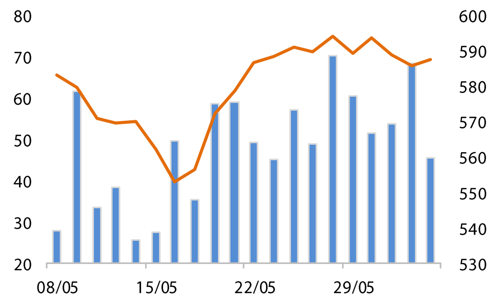
Similarly to yesterday trading session, the green color in both small caps and mid-caps, especially in real estate stocks such as NDN, CDO, NBB, SCR,… continuously affected the market in a positive way. This resonance effect maintained the green color of the market. At the end of the trading session, HSX increased 1.09 points and reached 84.89 points while HNX slightly increased 0.93 point and reaching 84.89 points. However, trading liquidity remained unchanged with total trading volume reached 175 million shares (up 1.1%); in which CII has a second largest trading session with total trading volume equal to 10 million traded share. On the other hand, foreigners turned back to be net buyer with the trading volume of VND 2,2 billion on both bounces after yesterday net selling sessions.

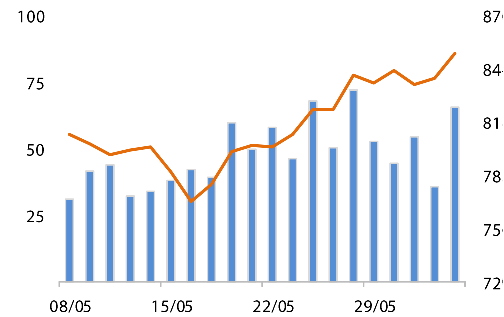
In contrast to the bullish sentiment, banking and oil & gas sectors were not positive. Falling prices of WTI (2.72%) and Brent (2.65%), after reaching a record height on 02/04/2015, somewhat affected negatively on oil & gas stocks. We saw declines in GAS (-0.5 points), PXS (-0.4 points), PVS (-0.3 points), PVC (-0.2 points). For the information on the banking sector, the SBV release Circular 06/2015/TT-NHNN effective July 15th which requires stakeholders and affiliated parties that are holding shares excess the limit given in Article 55 of Law on Financial Institution before the effective date (hereinafter referred to as " excess holdings") to reduce any exceeded holdings in banks to within the permitted limits by the end of this year. According to our banking expert, along with the Circular 36 stipulated maximum percentage of ownership between banks and financial institutions, the issuance of Circular 06 expresses strong views of SBV on duty of eliminating cross-ownership and enhancing transparency of banking system. We believe that M & A trend will be accelerated in the future.

Advisory Diary

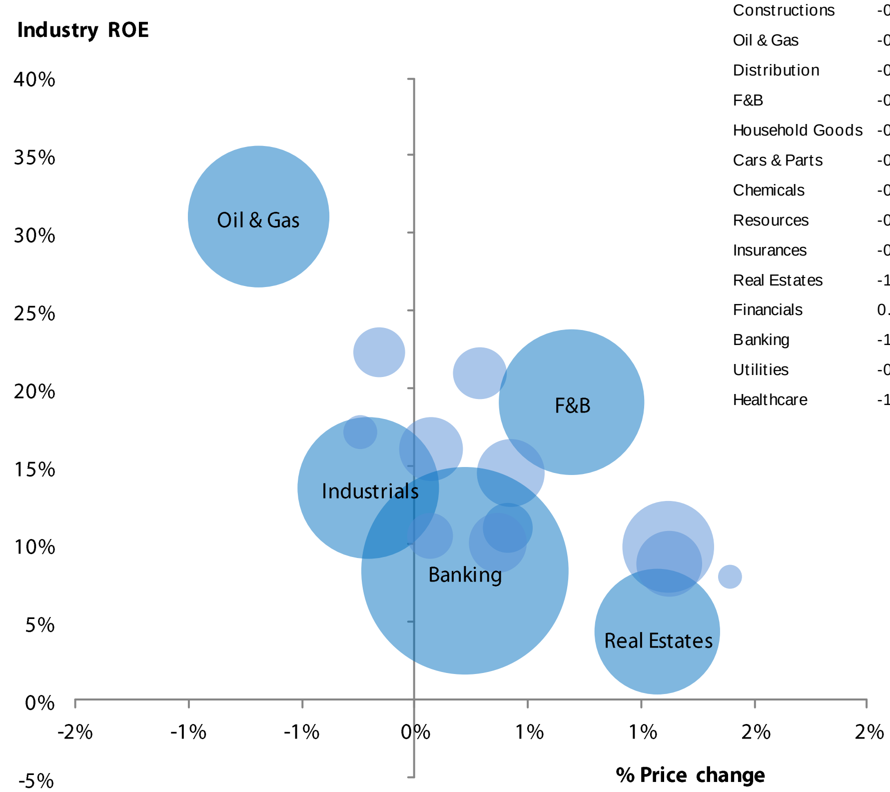
VNINDEX	0.19%	568.99	VN30	0.32%	587.48	HNXINDEX	1.68%	84.89





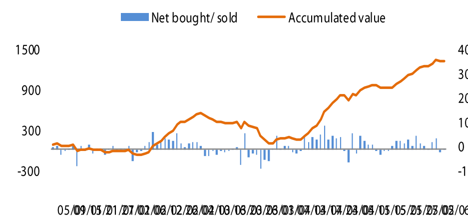


Industry Movement

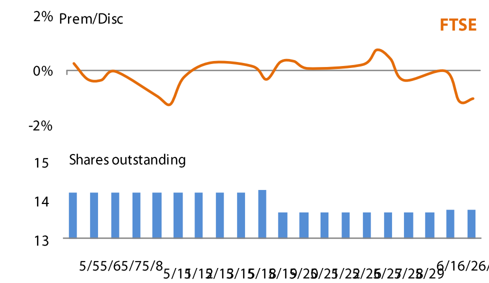


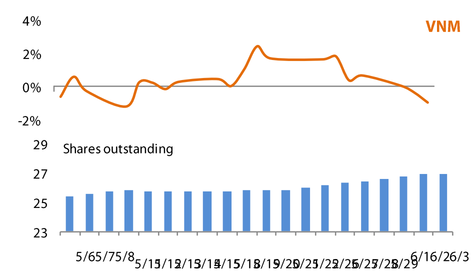
Industry	%change
Technologies	-1.0%
Industrials	-0.6%
Constructions	-0.5%
Oil & Gas	-0.5%
Distribution	-0.6%
F&B	-0.2%
Household Goods	-0.8%
Cars & Parts	-0.2%
Chemicals	-0.1%
Resources	-0.3%
Insurances	-0.7%
Real Estates	-1.4%
Financials	0.9%
Banking	-1.4%
Utilities	-0.4%
Healthcare	-1.0%

Foreign Investors Trading

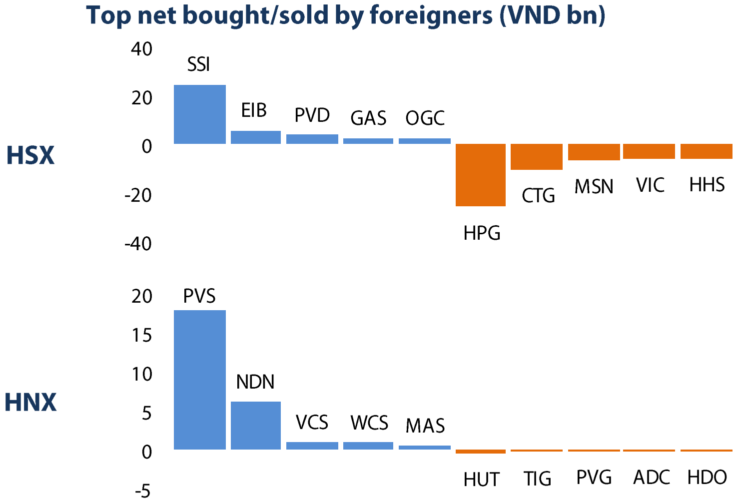


ETF





Top net bought/sold by foreigners (VND bn)



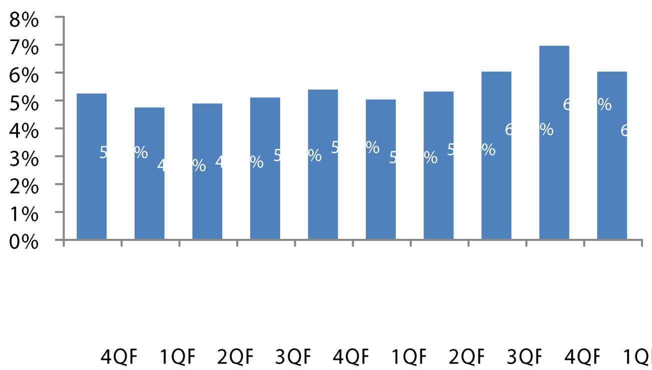
Top Active

Ticker	Price	Volume	% price change
CII	22.0	10.62	5.3%
FLC	9.0	5.89	0.0%
VHG	10.3	5.17	5.1%
HAI	9.6	4.82	1.1%
PDR	19.9	3.61	7.0%

Ticker	Price	Volume	% price change
SCR	7.5	7.57	8.7%
KLF	7.6	7.05	1.3%
FIT	16.1	4.19	3.9%
VCG	13.4	3.15	0.0%
SHB	8.0	2.37	0.0%

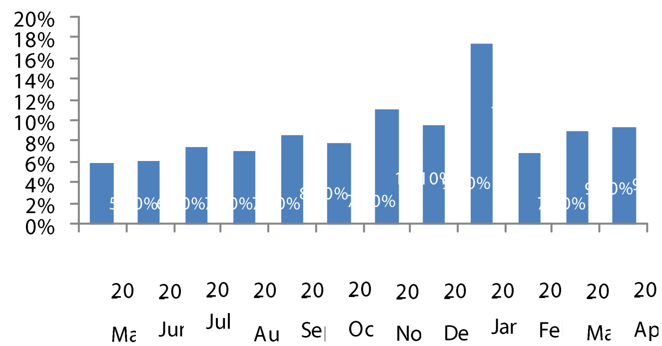
MACRO WATCH

Graph 1: GDP Growth



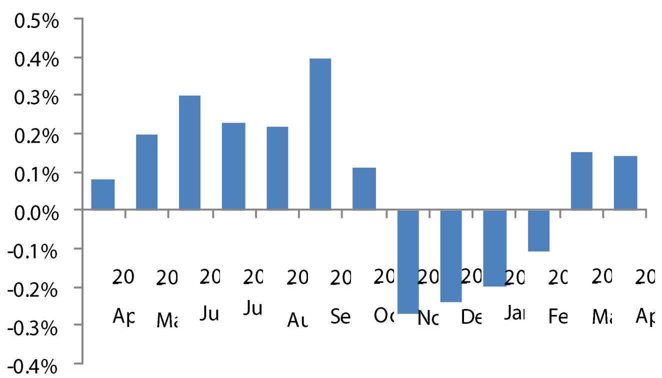
Sources: GSO. Rongviet Securities database
(*) Comparision price in 1994

Graph 2: IIP



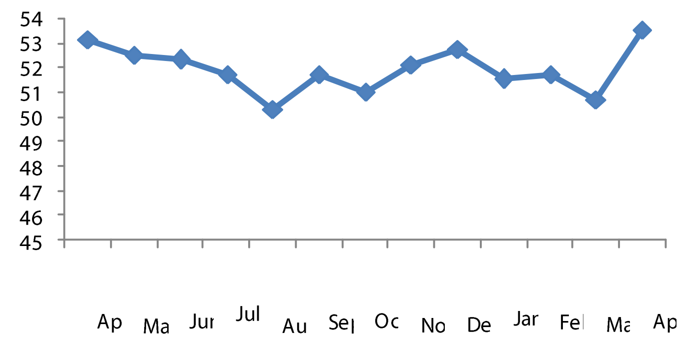
Sources: GSO. Rongviet Securities database

Graph 3: Monthly CPI



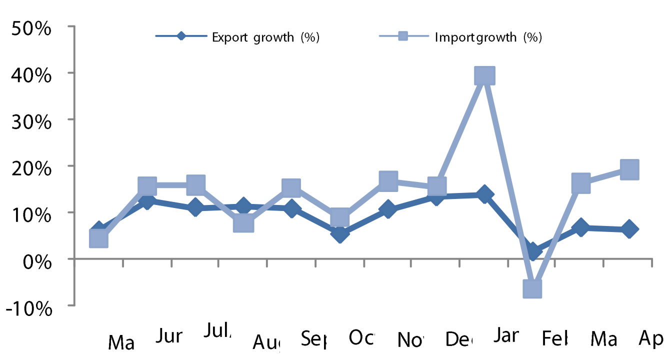
Sources: GSO. Rongviet Securities database

Graph 4: HSBC - PMI



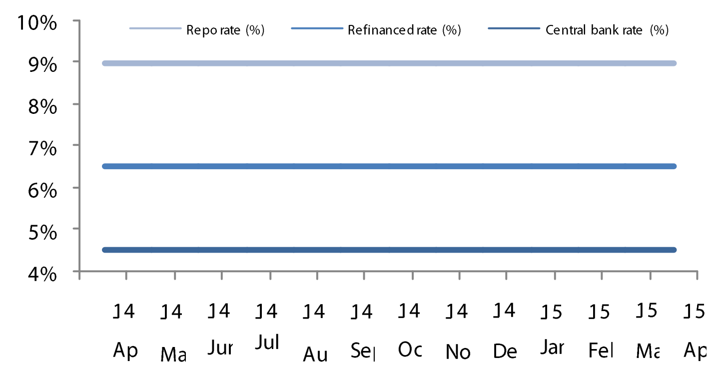
Sources: GSO. Rongviet Securities database

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
GSP- Heading for a new growth period	May 11th, 2015	Accumulate – Long term	16,600
STK - Running on all cylinders	May 7th, 2015		30,800
VPH - Emerging from its lowest	May 5th, 2015	Buy – Intermediate term	15,300
DHC-Giao Long factory (phase 2) adds lights to the long-term plan	April 24th, 2015	Buy – Intermediate term	26,200
PLC - A firm foothold	April 14th, 2015	Accumulate – Intermediate term	40,000

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	05/05/2015	0% - 0.75%	0% - 2.5%	11,672	11,683	-0.09%
VEOF	05/05/2015	0% - 0.75%	0% - 2.5%	9,238	9,456	-2.31%
VF1	08/05/2015	0.2% - 1%	0.5%-1.5%	20,675	20,520	0.75%
VF4	06/05/2015	0.2% - 1%	0%-1.5%	8,978	9,098	-1.38%
VFA	04/05/2015	0.2% - 1%	0%-1.5%	7,154	7,168	-0.20%
VFB	08/05/2015	0.3% - 0.6%	0%-1%	12,126	12,133	-0.05%
ENF	04/05/2015	0% - 3%	0%	10,834	10,779	0.51%
MBVF	04/05/2015	1%	0%-1%	10,449	10,439	0.10%
MBBF	29/04/2015	0%-0.5%	0%-1%	12,075	12,064	0.09%

ANALYSTS

Truc Doan – Head of Research

+ 84 8 6299 2006 | Ext: 355

truc.dtt@vdsc.com.vn

Hoang Nguyen

+ 84 8 6299 2006 | Ext: 328

Hoang.nh@vdsc.com.vn

Lam Nguyen

+ 84 8 6299 2006 | Ext: 323

lam.ntp@vdsc.com.vn

Tuan Huynh

+ 84 8 6299 2006 | Ext: 326

Tuan.hm@vdsc.com.vn

Kien Nguyen

+ 84 8 6299 2006 | Ext: 326

Kien.nt@vdsc.com.vn

Ha My Tran

+ 84 8 6299 2006 | Ext: 319

my.tth@vdsc.com.vn

Tai Nguyen

+ 84 8 6299 2006 | Ext: 319

tai.ntp@vdsc.com.vn

Diem My Tran

+ 84 8 6299 2006 | Ext: 321

my.ttd@vdsc.com.vn

Van Banh

+ 84 8 6299 2006 | Ext: 324

Van.btt@vdsc.com.vn

Trien Le

+ 84 8 6299 2006 | Ext: 325

trien.lh@vdsc.com.vn

Tam Bui

+ 84 8 6299 2006 | Ext: 324

tam.bt@vdsc.com.vn

Huong Pham

+ 84 8 6299 2006 | Ext: 323

huong.pt@vdsc.com.vn

Nam Huynh

+ 84 8 6299 2006 | Ext: 321

Nam.hk@vdsc.com.vn

HỘI SỞ TẠI TP.HCM

Tầng 1-2-3-4, tòa nhà Viet Dragon
141 Nguyễn Du, P.Bến Thành, Q.1, TP.HCM

- T +84 8 6299 2006
- F +84 8 6291 7986
- E info@vdsc.com.vn
- W www.vdsc.com.vn

CHI NHÁNH HÀ NỘI

2C Thái Phiên, Q.Hai Bà Trưng, Hà Nội

- T +84 4 6288 2006
- F +84 4 6288 2008
- E info@vdsc.com.vn
- W www.vdsc.com.vn

CHI NHÁNH NHA TRANG

50 Bis Yersin, TP.Nha Trang, Khánh Hòa

- T +84 058 3820 006
- F +84 058 3820 008
- E info@vdsc.com.vn
- W www.vdsc.com.vn

CHI NHÁNH CẦN THƠ

08 Phan Đình Phùng, Q.Ninh Kiều, TP.Cần Thơ

- T +84 0710 381 7578
- F +84 0710 381 7789
- E info@vdsc.com.vn
- W www.vdsc.com.vn

This report is prepared in order to provide information and analysis to clients of Rong Viet Securities only. It is and should not be construed as an offer to sell or a solicitation of an offer to purchase any securities. No consideration has been given to the investment objectives, financial situation or particular needs of any specific. The readers should be aware that Rong Viet Securities may have a conflict of interest that can compromise the objectivity this research. This research is to be viewed by investors only as a source of reference when making investments. Investors are to take full responsibility of their own decisions. VDSC shall not be liable for any loss, damages, cost or expense incurring or arising from the use or reliance, either full or partial, of the information in this publication.

The opinions expressed in this research report reflect only the analyst's personal views of the subject securities or matters; and no part of the research analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or opinions expressed in the report.

The information herein is compiled by or arrived at Rong Viet Securities from sources believed to be reliable. We, however, do not guarantee its accuracy or completeness. Opinions, estimations and projections expressed in this report are deemed valid up to the date of publication of this report and can be subject to change without notice.