02

FRIDAY

- **FMC EGM update**
- **Stock exchanges: Mid and small caps era**
- **SVC update – Business result is expected to be positive**

FMC EGM update

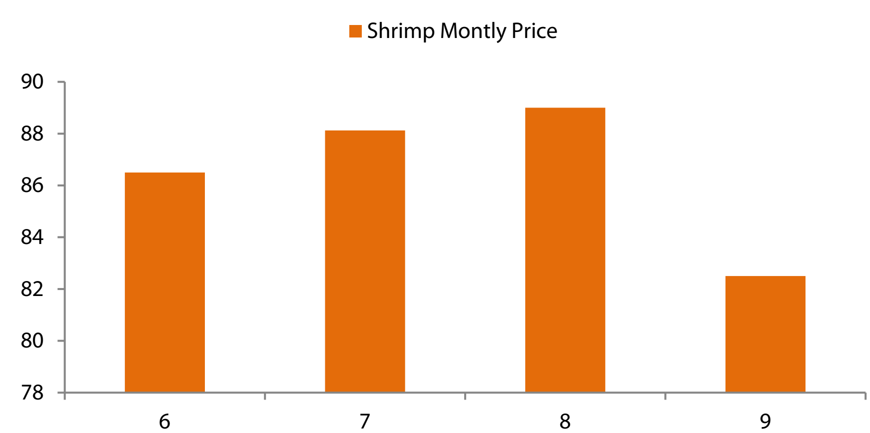
We mentioned FMC catalyst in Advisory Diary date 28 September 2015. It has also reached good growth (+1.2%) since the EGM. Q3 earning is forecasted to get record when 2 first months of Q3 amounted to USD 26.6 million with volume of 2,634 thousand tons. As our calculation, Q3 revenue can get USD 40 million (~VND 896 billion). Although, this figures only equivalents 97% over the same period, it is still positive signal in the tough shrimp situation at the present.

Observing shrimp industry in 2015, due to non-optimistic price movement and disease caused by heat, many famers have narrowed farming area. Local celling price of Vannamei in Q3 has not fluctuated yoy. In this case, COGS in Q3 may be improved significantly. Moreover, according to 6M2015 financial statement, material inventory was as twice as last year. It meant that material was accumulated in Q3. Meanwhile, it is a time for 53 ha of FMC farming area to be harvested. In 2015, FMC is expected to harvest 600 tons in this farm, thus, COGS calculated by weighted average approach will change enormously. Gross margin in Q3 as our estimation can reach 9.5%, 2% higher than last quarter and 4% greater over the same period.

Based on this basis, NBT in 3Q2015 would reach over VND41 billion, up 70.8% yoy. However, the positive factors are hardly to maintain in the last three months. Thus, NBT forecast of VND 88 billion in 2015 is still remained as our opinion. It is noteworthy that income tax in 2015 is adjusted thanks to (1) (1) An San factory imposes a tax of 0% (2) FMC's factory is in special condition and only imposes a tax of 10%. Therefore, EPS is estimated to be approximately 3,967 VND/share, equivalent to P/E forward at 6.7 (based on closed price as of October, 2nd 2015 at 24,900 VND/share). According to the above analysis, we believe that the charter capital increase with issue price of 10,000 VND/share seems to succeed.

"Stock exchanges: Mid and small caps era"

Exhibit 1: Movement of shrimp price in Ben Tre (100 shirmps/kg)



Source: GOV, RongViet Research

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Stock exchanges: Mid and small caps era

Ending the trading session early 10/2015, both exchanges closed with different situation, VNIndex (-0.22%) and HNIndex (+0.29%). Observing today session, we recognized that the breadth in VNIndex was relatively imbalance and large-cap stocks had weak demand and fluctuation with narrow variance. Particularly, capital flow concentrated in mid and small caps. Leading stocks such as BVH (-0.6%), SSI (-1.3%) in financial segment and EIB, CTG in banking segment decreased resulting in the drop in VNIndex in the end. In only this week, VNMID-INDEX raised by 0.9% while VNSML-INDEX increased by 0.23%.

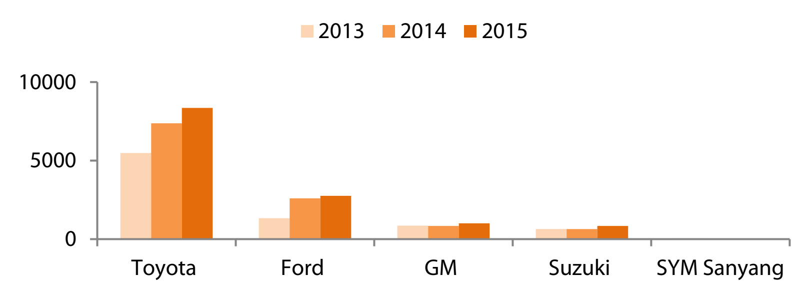
Beside the movements of index groups, liquidity in both exchanges demonstrated the improvement compared to yesterday (+10%) but closed at only VND 1,732 billion. Highlight of today session was put through transactions in several stocks such as GMD and HQC with high total trading value at 1.6 million and 5.63 million shares respectively. On the other hand, foreign investors continued the net selling position; marking a week with total VND 157 billion net sale. In 10/2015, TPP meeting and Q32015 business results made us to maintain the recommendation to participate in the markets and accumulate shares when markets decline.

SVC update – Business result is expected to be positive

Also in today trading session, a stock in Rongviet Research's list which is SVC maintained the active trading activities with total trading value adding up to 188,980 shares and increased by 5.4%. According to the statistics from VAMA, total consumption in passenger cars in only July and August accounted for 32,978 million units (+51% y.o.y). Specifically, 4 types of distributed cars by SVC are Toyota, Ford, GM and Suzuki experienced positive growth rate from 6 to 30% over the first 2 months of Q32015. Particularly, Toyota accounted for 60% of the revenue of automobile segment from SVC with output growth rate of 13%. Meanwhile, Ford ranked second in revenue also had sale growth of ~6%. With total sale from such segment as mentioned above with seasonal characteristic that the last 6 months are usually more positive, we expected the business result in Q32015 could record the optimistic growth. According to the estimation, revenue and profit after tax from SVC could be at VND 2,447 billion (+10% q.o.q) and VND 37.3 billion (+23% q.o.q). Accumulation

In contrast to the optimistic business result in Q32015, such aspect in Q4 could experience the negativity when Toyota announced to adjust the selling prices of several segment such as Fortuner, Toyota, Innova… in Q32015 due to the USDVND exchange rate could change recently (table: adjusted price). Thus, the adjustment selling prices will negatively affect earnings result of the retail business distributor of Toyota cars (i.e. SVC).

Exhibit 2: Total sale volume of passenger car in July and August



Source: VAMA, RongViet Research

Table 1: Adjustment Toyota car prices applicable from 1st October

No	Models	Increase prices (miilion VND)
1	Altis	31-38
2	Camry (E-Q)	44-55
3	Fortuner	37-57
4	Hilux	0
5	Land Cruiser	0
6	Innnova (J-V)	28-37
7	Yaris (E-G)	25-27

Source: Toyota, RongViet Research

WEEKLY TECHNICAL VIEW

VN-Index

VN-Index dropped 8.07 points (or 1.41%), closed at 562.31. Trading volume reduced 17.6% down to 350 million shares.

After a few session of struggling around strong resistance (575), VN-Index fell sharply below 560 and then recovered slightly. The EMA(26) kept moving down, showing that the current trend of VN-Index is down. The support are of VN-Index is around 545.

The liquidity also decreased to low level. If trading volume does not improve, VN-Index will hardly have a chance to break through 575 area in the short-term.

Looking at technical indicators, both the MACD and the RSI turned down. The MACD is going to cut down the signal line while the RSI remains below 50.

The ADX indicator kept going down, showed that the current trend of VN-Index is weak.

Trades should wait patiently for VN-Index to form its trend clearly.

HNX-Index

HNX-Index decreased 0.42 points (or 0.53%), closed at 78.25. The liquidity kept moving down with only 135 million shares changed hands (-21.5%)

HNX-Index struggled right below its strong resistance (78-78.5) for the whole of the week. The index also went down below its EMA(26). HNX-Index seems not ready to exceed its resistance.

Trading volumes fell to very low level, showed that both buyers and sellers were not interested in trading.

Looking at technical indicators, both the MACD and the RSI remains bullish but not strong. The ADX were very low and near its historical low.

In a short-term, HNX-Index is supported at around 77.

Recommendation:

Both VN-Index and HNX-Index turned down after a short stage of struggling around their strong resistances. The market needs more time to accumulate and traders should wait patiently for indexes to show their trends clearly.

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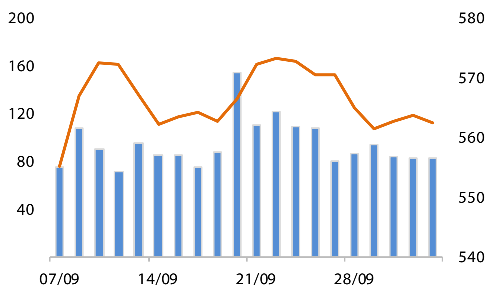
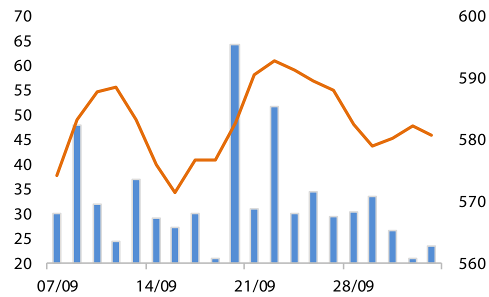
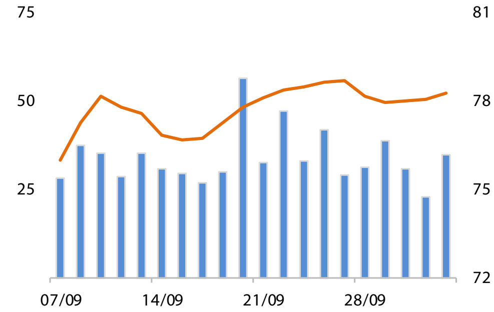
VNINDEX -0.22% **562.31**



VN30 -0.27% **580.74**

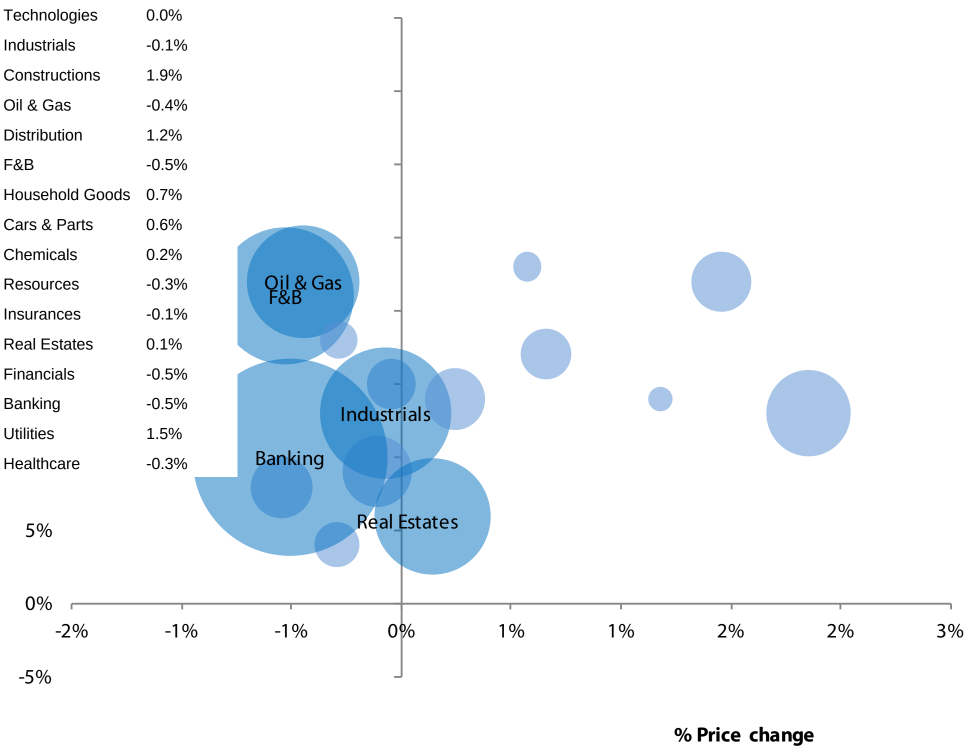


HNXINDEX 0.29% **78.25**

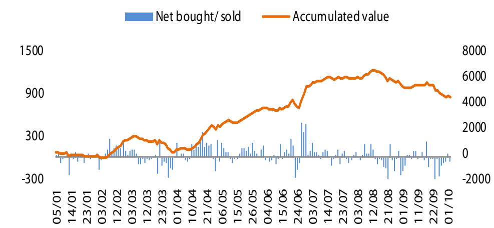


Industry Movement

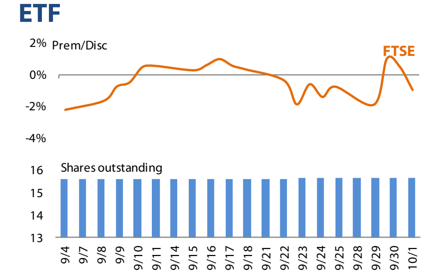
Industry	% change
Technologies	0.0%
Industrials	-0.1%
Constructions	1.9%
Oil & Gas	-0.4%
Distribution	1.2%
F&B	-0.5%
Household Goods	0.7%
Cars & Parts	0.6%
Chemicals	0.2%
Resources	-0.3%
Insurances	-0.1%
Real Estates	0.1%
Financials	-0.5%
Banking	-0.5%
Utilities	1.5%
Healthcare	-0.3%

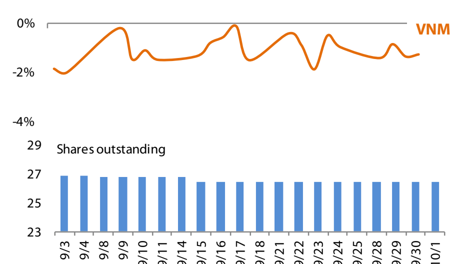


Foreign Investors Trading



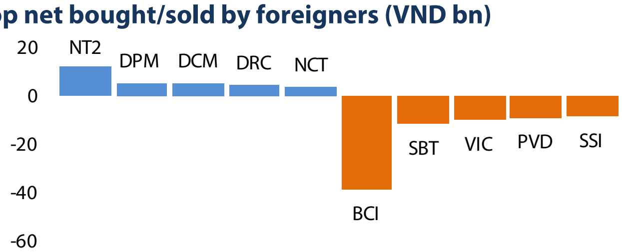
ETF



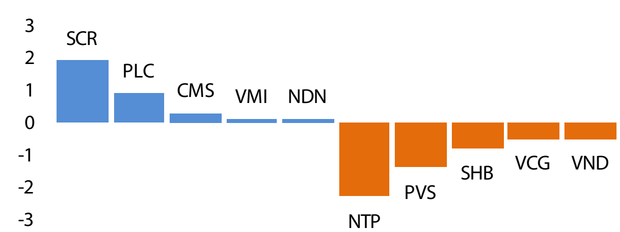


Top net bought/sold by foreigners (VND bn)

HSX



HNX



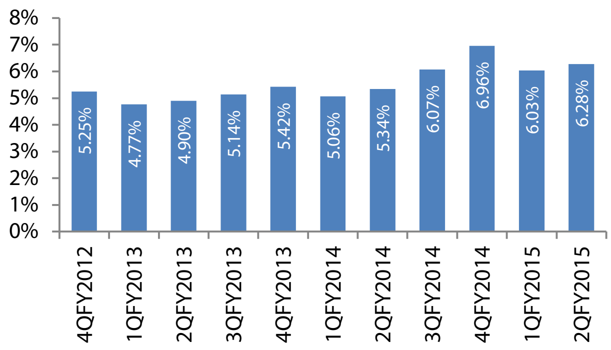
Top Active

Ticker	Price	Volume	% price change
HQC	5.1	0.04	0.0%
SBT	14.4	0.03	0.7%
NT2	25.8	0.03	2.8%
BCG	20.9	0.03	6.6%
HHS	16.9	0.02	0.6%

Ticker	Price	Volume	% price change
KLF	4.2	0.35	0.0%
SCR	7.7	0.14	0.0%
API	11.4	0.14	-1.7%
VND	12.3	0.00	0.0%
PVX	2.9	0.00	0.0%

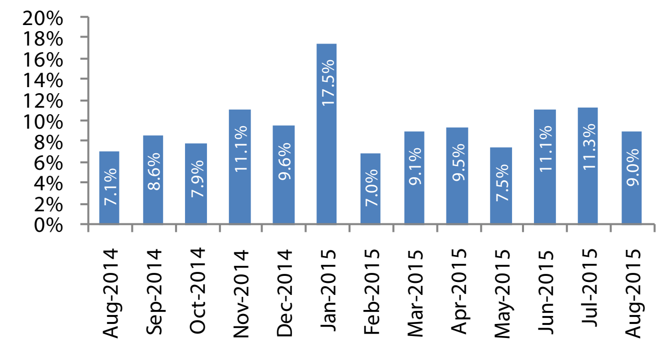
MACRO WATCH

Graph 1: GDP Growth



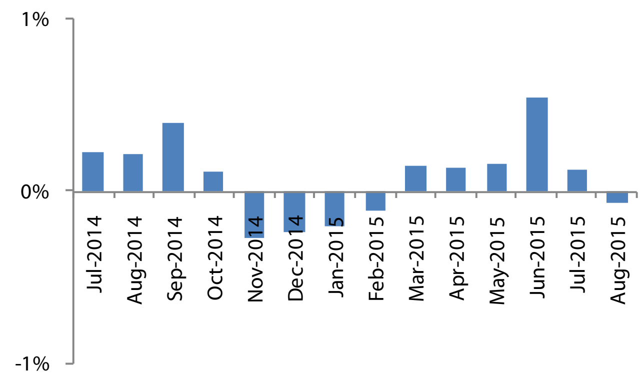
Sources: GSO. Rongviet Securities database
(*) Comparision price in 1994

Graph 2: IIP



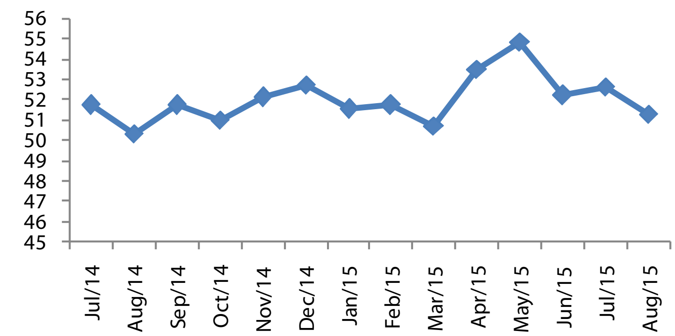
Sources: GSO. Rongviet Securities database

Graph 3: Monthly CPI



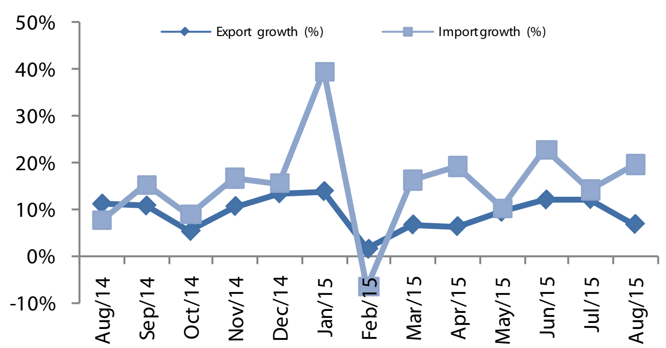
Sources: GSO. Rongviet Securities database

Graph 4: HSBC - PMI



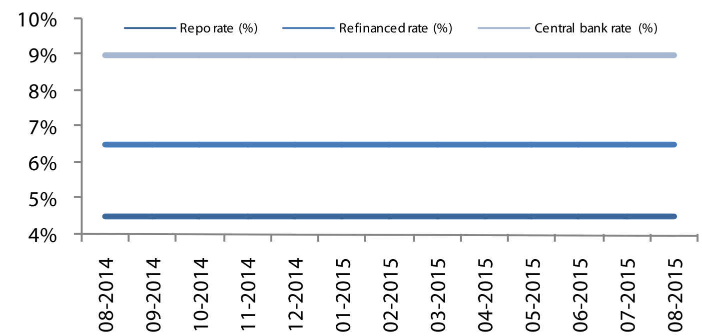
Sources: GSO. Rongviet Securities database

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
PXS - Invest to strengthen construction capacity	Sept, 4th 2015	Accumulate - Intermediate	17,000
SHP - Positive over long-term	Sept, 3rd 2015	Accumulate - Intermediate	20,800
PET - Tracking the progress of Thanh Da land plot transfer	Aug, 20th 2015	Stable	N/a
VNC - Embrace the new wave of international commerce	Aug, 14th 2015	Neutral – Long term	28,900
MAC – Bigger Propellers, further waters	Aug, 7th 2015	Buy – Long term	17,600

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	22/09/2015	0% - 0.75%	0% - 2.5%	11,900	11,880	0.17%
VEOF	22/09/2015	0% - 0.75%	0% - 2.5%	10,156	9,884	2.75%
VF1	25/09/2015	0.2% - 1%	0.5%-1.5%	22,966	22,939	0.12%
VF4	24/09/2015	0.2% - 1%	0%-1.5%	10,255	10,231	0.23%
VFA	25/09/2015	0.2% - 1%	0%-1.5%	7,217	7,040	2.52%
VFB	25/09/2015	0.3% - 0.6%	0%-1%	12,361	12,329	0.26%
ENF	18/09/2015	0% - 3%	0%	11,326	11,348	-0.19%
MBVF	17/09/2015	1%	0%-1%	10,391	10,408	-0.16%
MBBF	16/09/2015	0%-0.5%	0%-1%	12,336	12,331	0.04%

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