JULY

22

WEDNESDAY

ADVISORY DIARY

- **Waiting for the endurance from market**
- **Result update from PAC and FMC**
- **Advisory Diary – No. 300**

Waiting for the endurance from market

Today trading session (22/07/2015) experienced strong increase on both HSX and HNX. Regarding two main indices, VNIndex increased by 13.24 points (+2.15%), came close to 630 points and HNXIndex increased by 2.08 points (+2.12%) to 87.00 points. The positivity spread across both markets with 258 increase stocks compared to 144 decline stocks. Liquidity demonstrated stable signal with 2,924.04 billion dong in total trading value, increased by 28.80% compared to yesterday session.

The above indicators had brought the optimistic signs for the market at this moment. However, despite buying demand, foreign investors were in strong net sell position with VND 96.36 billion on HSX and net-bought only VND 0.35 billion dong on HNX.

Even though the spread effect reappeared, we could recognize that the cash flow has concentrated around large cap stocks, especially VN30 group. Sentiment change has been faster than expectation indicating the high level of cash flow. However, our analyst asserted that the upcoming trading sessions could reveal the endurance in short-term and long-term from capital flows. Rongviet Research also maintains the forecast for the celling level of VNIndex to be 640 points during the remaining period of July.

"Waiting for the endurance from market"

Steel industry also received our special attention from us with HSG (+1.9%) and HPG at celling price (+6.7%) at the end of today trading session.

The buying volume from foreign investors with over 2.15 million HPG shares could also be the positive catalyst for the celling price from this stock. As reflecting in share price, HPG achieved positive revenue in 6T2015 with VND 13,667 billion (+76.57% y.o.y) with the improvement in sale volume. Construction steel consumption reached 675.000 tons, increased by 52% y.o.y with 4% increase in term of market share, achieved 22%. In addition, HPG expected revenue could maintain at the same level as the previous year. According to our analyst, this result could demonstrate the positivity in HPG's business activities because during the last 6 months of 2014, HPG recorded revenue from Mandarin Garden real estate project.

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Regarding oil & gas industry, even though the information related to the former president of Petrovietnam Oil & Gas Group which was announced yesterday, the negative impact on "P" stocks seemed to not exist with dominating "green" color with slight increase. We could see that this information had discounted the stocks in the last 2 days. Banking and insurance segment also came back with increase price in most of the stocks, included VCB (+5.8%), BID (+5.6%), ACB (+6.1%) and PGI (+5.0%), PVI (+4.1%).

Quick business result update from PAC and FMC

PAC: For the first 6 months, PAC achieved positive business results, posted 1,126 billion in revenue (+18.5% y-o-y) and 62.6 billion in pretax profit (+39.5% y-o-y), which means PAC has completed 53.6% planned revenue and 62% planned EBT. Furthermore, total number of sales in 1H2015 reached 101 dry cells and 700,000 KWH. According to our industry analyst, growth is driven by (1) average input price dropped 11% y-o-y (estimated at USD 1,876/ton), (2) automotive retail industry has been recording a remarkable growth rate of 50% y-o-y, in which major customers of PAC are Thaco Truong Hai and Ford improving significantly at around 70% y-o-y and (3) upgraded products such as CMF, PTX have become favorable choices of new customers.

According to our analysts, based on the low price of lead (below 2,000 USD per ton) and the encouraging prospect of automobile industry, we expect PAC will maintain positive business result in 2H2015 as long as complete the yearly guidance plan. Besides, exports are expected to contribute to the company performance, i.e. in 1H2015, Cambodia market gained the growth of 20% y.o.y. In the short term, battery factory in District 6 have not found the land to build up, so the interest expense related to that project has not accrued. Our forecast for this fiscal year remains at VND 2,176 bn in revenue and VND106.1 bn in PBT (equivalent to EPS at 2,705 dong). At the current market price, PAC is trading at P/E forward of 10.3x

FMC: has just announced the business result in 1H2015, to be specific, revenue was VND 1,234 bn (-0.8% yoy) while NPAT was VND 35 bn (+18% yoy). Thus, the Company has completed ~35% of the yearly plan in 2015. Shrimp export in the first months in 2015 was not favorable because the demand in major countries like Japan, US decreased significantly. Thus, shrimp price has declined about 7-10% yoy. Under this situation, FMC's shrimp volume increased slightly (+7%) but revenue was lower than the same period. However, due to the sharp decline of shrimp price, gross profit margin increased significantly, from 6.3% (1H2014) to 8.1% (1H2015). As a result, profit has changed positively compared to the same period last year.

Besides, we also pay attention to consumption capacity of agriculture segment as its quantity doubled y-o-y as to An San B coming into operation. However, this segment only accounts for about 2% of the company's revenue structure. Please find further detailed information in company report published on 23/07/2015.

Advisory Diary – No. 300

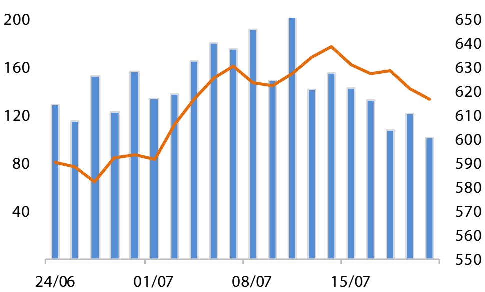
Since May, 01 2014 and with 300 issues as of today (July, 07 2015), our Advisory Diary has passed a long way for us to recognize the imprint and interest of investors. Other reports like "Company Report" require a hard process to check the data and have a conversation with the Company, and then our analysts are requested to express the regulation in choosing contents and words. Just for Advisory Diary, our analysts could share their opinions, feelings and personal touch on their own way.

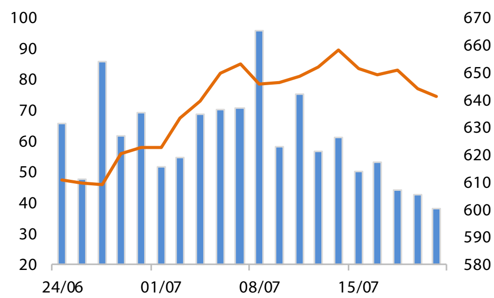
However, information gathering, analyst and opinion providing everyday with "new and fresh" requirement have always been the great challenges for research team from Rongviet. During several days with conundrums, analysts from Rongviet could only leave the office after 10 p.m or information usually has to be carefully prepared before publishing. Under the spirit of a "free and emotional" product, there are times when lack of ideas is the large boulder blocking the path. Therefore, the "cons" and "clumsiness" definitely exist on the Advisory Diary. However, as a "diary" to record the emotions and thoughts, this is always a special product, a spiritual child that analyst from Rongviet Research devote our dedication, intellectual resources and time into that.

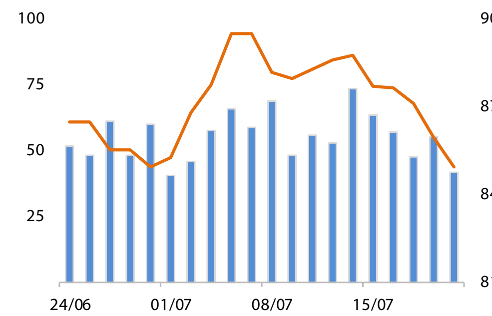
It could be said that what a fortunate opportunity to keep the momentum of Advisory Diary's activities and accompany investors through "waves" when market raised and fell. Besides, the trust and feedback on the product has always been the motivation for us to maintain such specialty from Rongviet. That made us to believe that each times we prepare for Advisory diary, we are sharing with the soul mate.

And it could be appropriate to conclude today special advisory diary with the quotation from Jack Ma **"Business is not merely buying or selling activity, it is the creation and bringing customers the set of value. Finding a customer who favors our products is not different from finding a soul-mate in life"** (Translated)

VNINDEX	2.15%	629.85	VN30	2.12%	655.06	HNXINDEX	2.45%	87.00

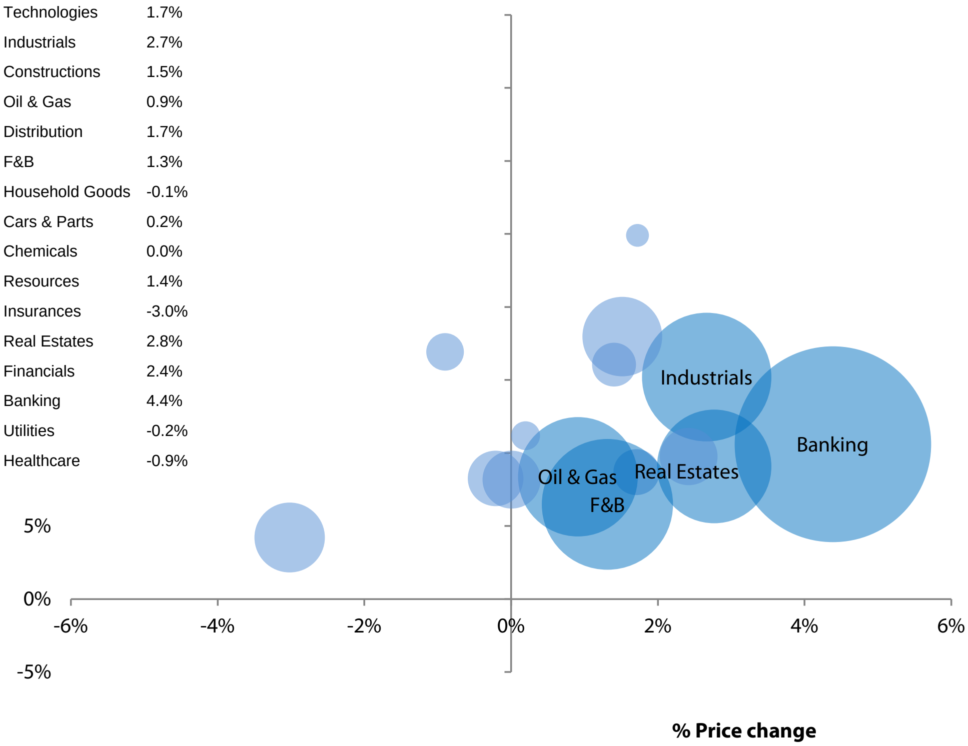




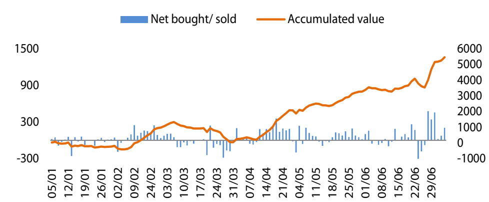


Industry Movement

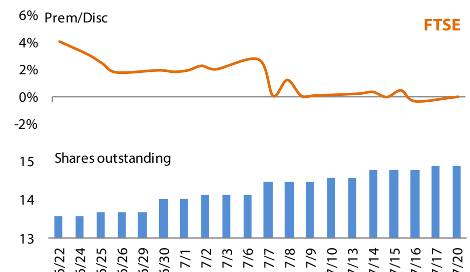
Industry	% change
Technologies	1.7%
Industrials	2.7%
Constructions	1.5%
Oil & Gas	0.9%
Distribution	1.7%
F&B	1.3%
Household Goods	-0.1%
Cars & Parts	0.2%
Chemicals	0.0%
Resources	1.4%
Insurances	-3.0%
Real Estates	2.8%
Financials	2.4%
Banking	4.4%
Utilities	-0.2%
Healthcare	-0.9%

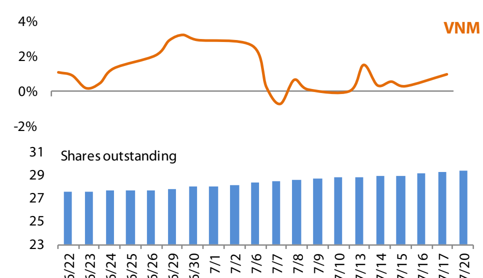


Foreign Investors Trading

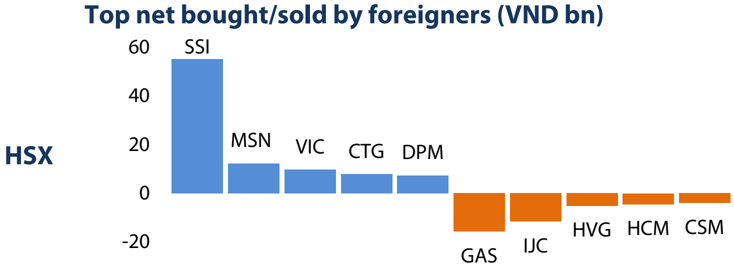


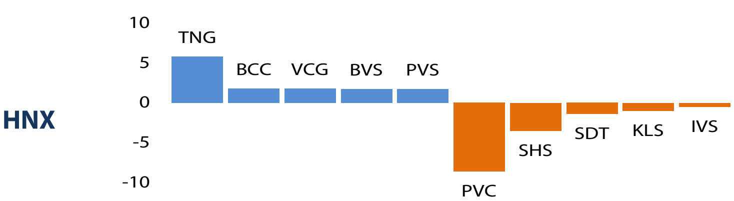
ETF





Top net bought/sold by foreigners (VND bn)





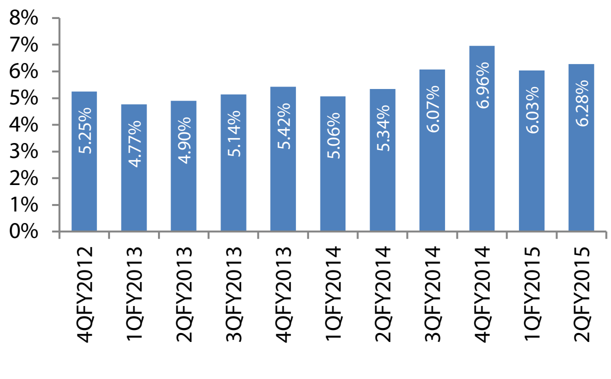
Top Active

Ticker	Price	Volume	% price change
SSI	26.9	6.24	3.1%
FLC	8.2	5.61	0.0%
MBB	16.0	5.17	0.6%
HPG	33.5	5.11	6.7%
SBT	14.5	4.21	0.7%

Ticker	Price	Volume	% price change
SCR	9.0	8.79	4.7%
FIT	11.7	4.78	1.7%
SHB	8.9	2.96	2.3%
KVC	33.4	2.90	9.9%
PVX	3.8	2.78	2.7%

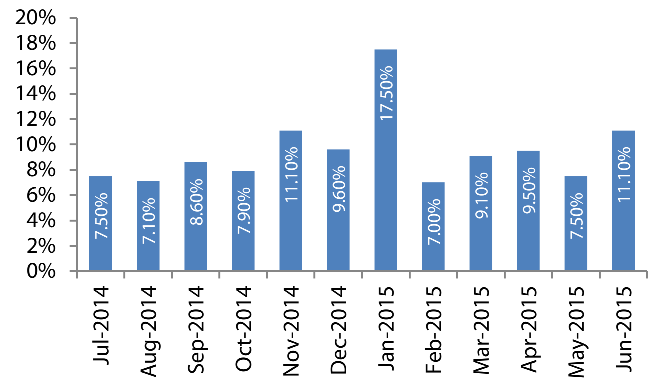
MACRO WATCH

Graph 1: GDP Growth



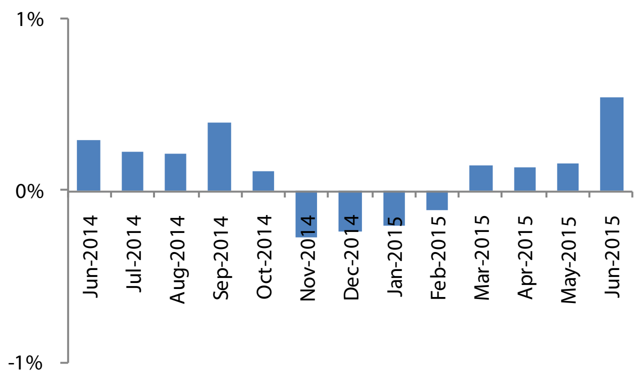
Sources: GSO. Rongviet Securities database
(*) Comparision price in 1994

Graph 2: IIP



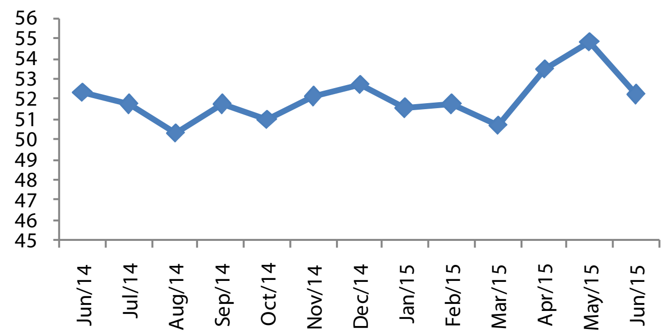
Sources: GSO. Rongviet Securities database

Graph 3: Monthly CPI



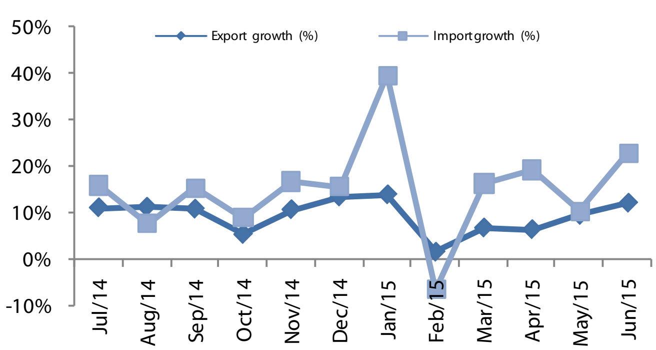
Sources: GSO. Rongviet Securities database

Graph 4: HSBC - PMI



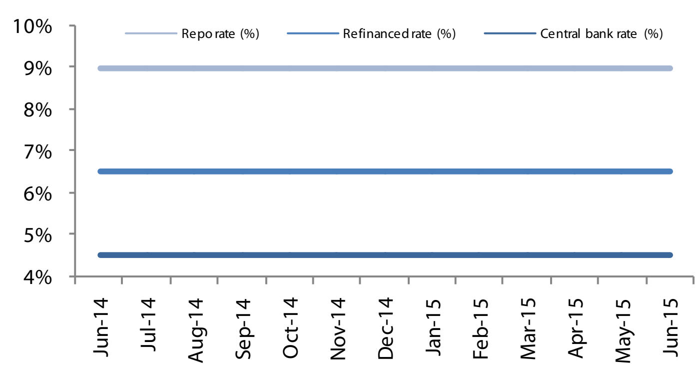
Sources: GSO. Rongviet Securities database

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
LCG - A new cycle begins	July 16th, 2015	Accumulate – Intermediate term	9,500
PVD - Well-positioned in the industry but still early to expect upturn	July 14th, 2015	Accumulate – Intermediate term	61,700
PGS - Favorable time to grow	July 10th, 2015	Buy – Intermediate term	27,000
DNP - Cash flowing in pipes	July 09th, 2015	Buy – Long term	21,900
BMI - Solid base for a bright future	July 08th, 2015	Accumulate – Long term	22,800

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	07/07/2015	0% - 0.75%	0% - 2.5%	11,750	11,729	0.18%
VEOF	07/07/2015	0% - 0.75%	0% - 2.5%	10,022	9,821	2.05%
VF1	16/07/2015	0.2% - 1%	0.5%-1.5%	23,097	23,391	-1.26%
VF4	15/07/2015	0.2% - 1%	0%-1.5%	10,591	10,578	0.12%
VFA	10/07/2015	0.2% - 1%	0%-1.5%	7,579	7,426	2.06%
VFB	10/07/2015	0.3% - 0.6%	0%-1%	12,233	12,211	0.18%
ENF	10/07/2015	0% - 3%	0%	11,584	11,424	1.40%
MBVF	09/07/2015	1%	0%-1%	10,530	10,563	-0.31%
MBBF	08/07/2015	0%-0.5%	0%-1%	12,157	12,133	0.20%

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