

“Opportunities in short-term is tapering off”

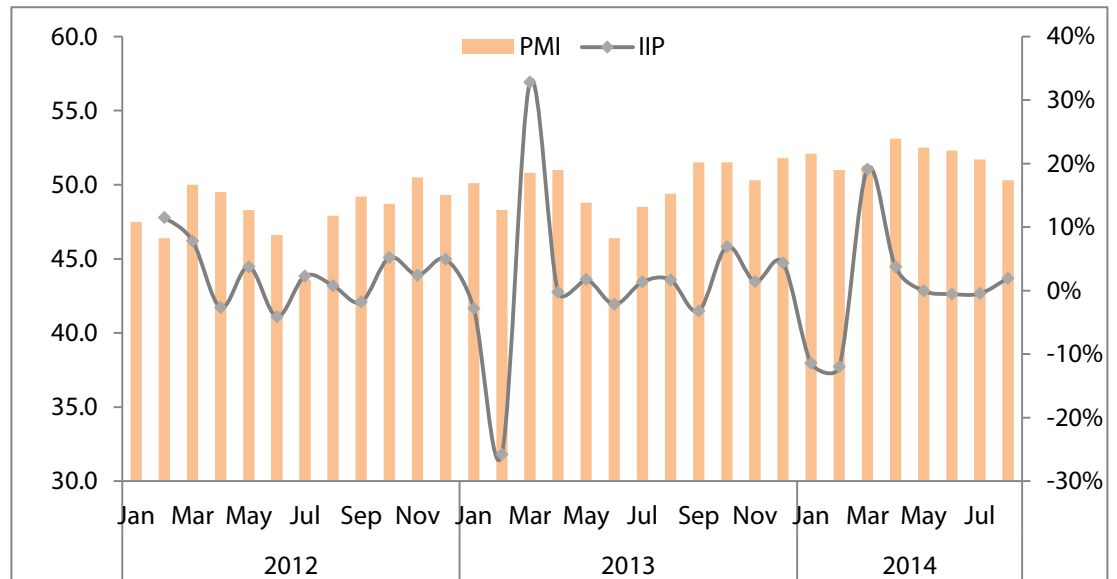
- **PMI in August declined, but expect to surge in the year end**
- **Opportunities in short-term is tapering off**

PMI in August declined, but expect to surge in the year end

Today, HSBC has released Purchasing Managers' Indexes (PMI) in August. Although manufacturing sector remained above 50 points, but growth momentum is now slowing down when PMI declined in recent 4 months. This index has returned to 50.3 points, similar to the level at Nov, 2013. According to our observations, output failed slightly yet new orders and export orders dropped below 50 points, suggested a narrowing signal of both domestic and external demand.

Based on the survey, a further rise in input costs was recorded while inflation just increased slightly in August. The upward trend in input costs are mainly due to (1) the increase of raw material prices (2) pressure from the freight cost along with the tightness of load transport in June. Therefore, inventories also increased at the strongest pace in 13 months. In addition, HSBC said that the rise in input costs have now leveled off, we expect upward pressure on input prices in the last months of the year will be insignificant because petrol price was now decreased 3 times in August, equal to the decrease of 6.2%. Meanwhile, freight rate has gradually reflected in output prices, manufactures have shifted part of the cost to consumers, so output prices continue to rise for 3 consecutive months from June to now.

Even though PMI went down in 4 consecutive months, we are still optimistic about the rest of this year. Correlating with the industrial production index, we think IIP could continue to ease in September then will rebound in the last 3 months of the year due to: (1) accelerating export; (2) higher credit growth and (3) internal demand is often better in the 4th quarter.



Source: Rong Viet Research compiled

Opportunities in short-term is tapering off

Market after holiday continuously showed the excitement when VNIndex streak away and exceeded 640 easily. The investor’s optimistic was proved by a large capital flow that kept going into market. Liquidity remained high level, reached over VND 4.000 billion on both bourses. According to observation of market occurrence, although taking-profit activity happened, buying

momentum still dominated and mark of 640 maintained to the end of today's session.

Similarly to prior sessions, Midcaps and Smallcaps have maintained its eventful trading as indices in both group recorded the highest at 1.17%. Especially Real Estate absorbed the abundant capital flows such as FLC, HQC, ITA with ample trading volumes, meanwhile Oil&Gas witnessed a correction as most tickers declined such as PVD, PXS, PGD.

According to the latest announcement of The World Economic Forum, Viet Nam has been upgraded 2 ranks related to globally competitive ability. This positive news might support for investors' optimism in upcoming sessions. Noticeably, foreigners continues its net buying status on both bourses, reached at VND57 billion in which VIC was the top net sold with total value up to VND194 billion. We still saw a lot of excitement in the air yet key oil-and-gas tickers' going down for every up day suggested some profit-taking activities in the background. Therefore, individual investors should be more cautious as opportunities in short-term is tapering off.

Tam Bui

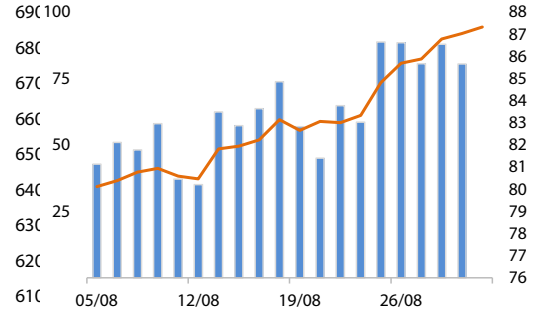
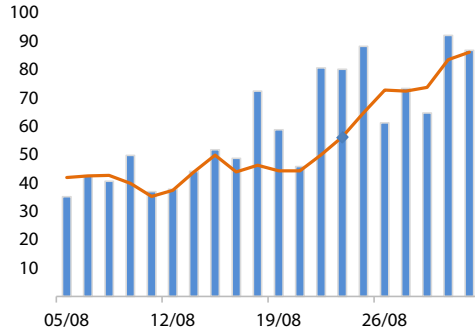
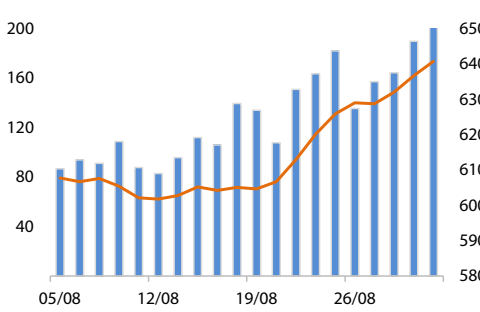
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VNINDEX 0.64% 640.75

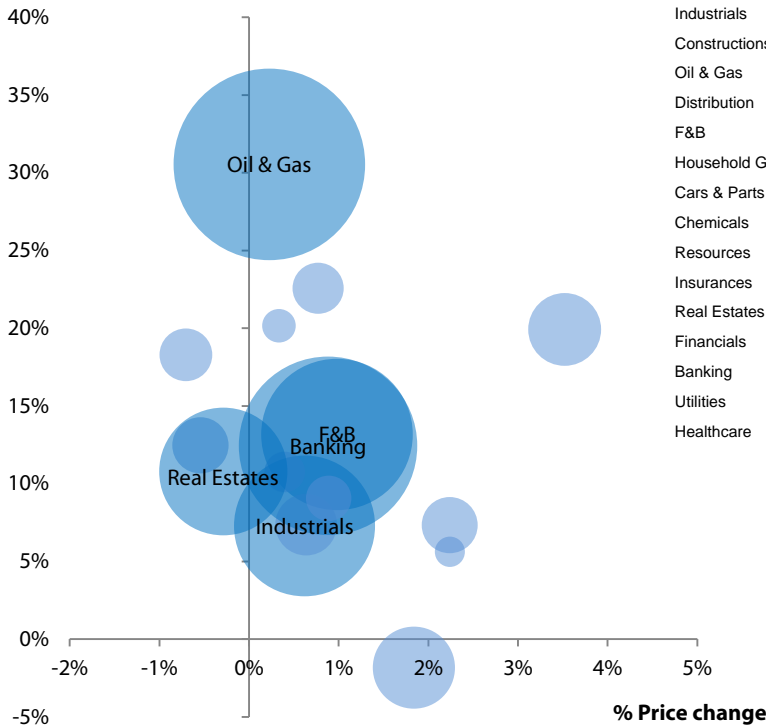
VN30 0.31% 678.90

HNXINDEX 0.33% 87.33



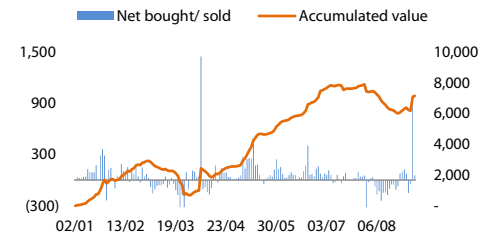
Industry Movement

Industry ROE

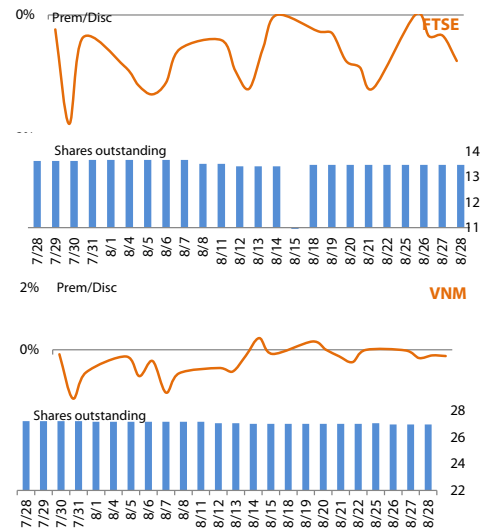


Industry	% change
Technologies	-0.7%
Industrials	0.6%
Constructions	1.8%
Oil & Gas	0.2%
Distribution	2.2%
F&B	1.0%
Household Goods	0.4%
Cars & Parts	0.3%
Chemicals	-0.5%
Resources	0.8%
Insurances	3.5%
Real Estates	-0.3%
Financials	0.6%
Banking	0.9%
Utilities	2.2%
Healthcare	0.9%

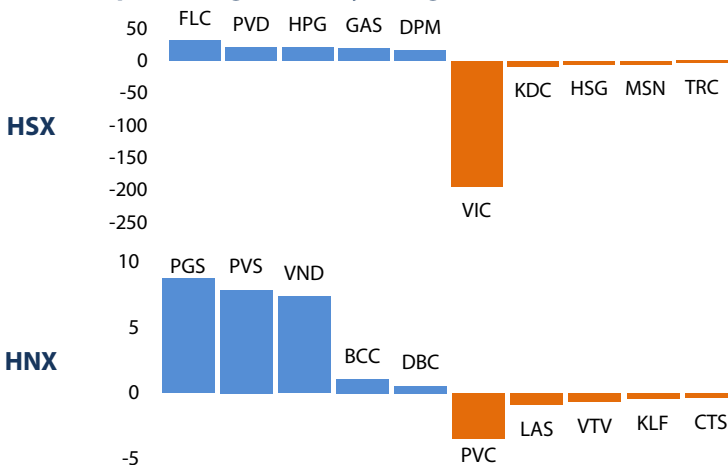
Foreign Investors Trading



ETF



Top net bought/sold by foreigners (VND bn)

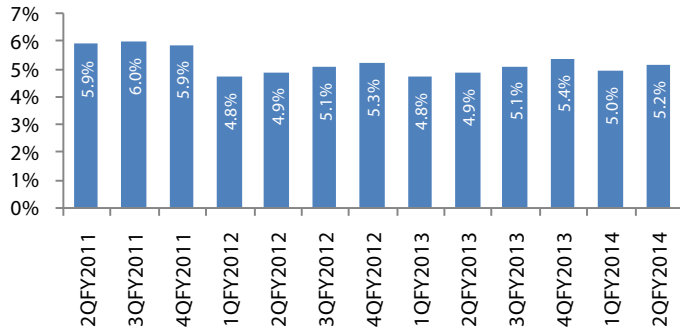


Top Active

Ticker	Price	Volume	% price change
FLC	13.20	21.60	4.8%
ITA	9.30	12.70	1.1%
OGC	12.50	8.90	0.0%
HQC	8.70	7.60	2.1%
IJC	15.50	4.70	5.9%
PVX	5.70	10.50	0.0%
SHB	9.70	9.40	2.1%
SCR	10.60	5.30	0.0%
SHS	10.70	4.10	3.9%
KLS	12.50	3.60	1.6%

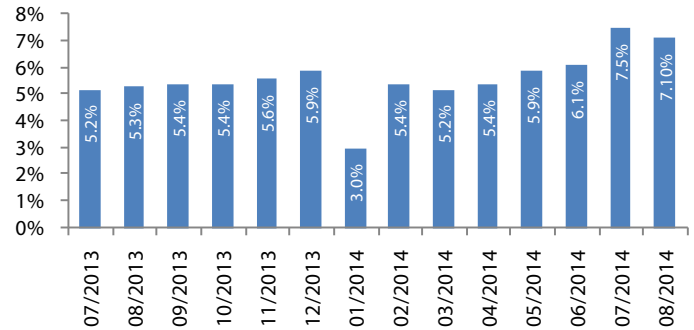
MACRO WATCH

Graph 1: GDP Growth



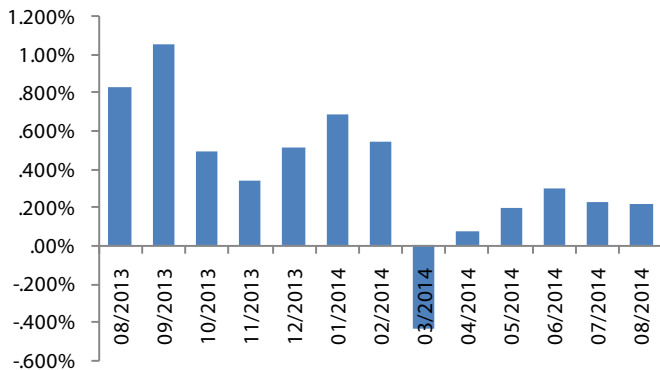
Sources: GSO. Rongviet Securities database
(* Comparison price in 1994)

Graph 2: IIP



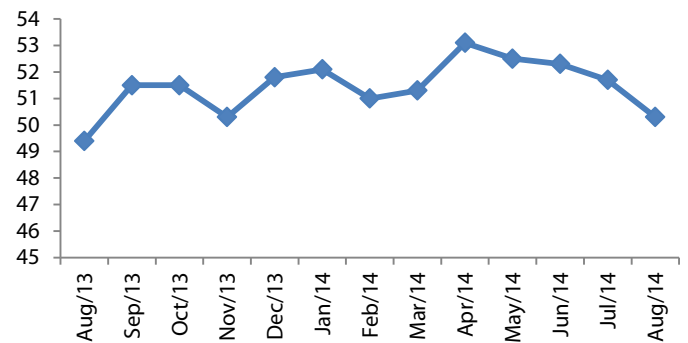
Sources: GSO. Rongviet Securities database

Graph 3: Monthly CPI



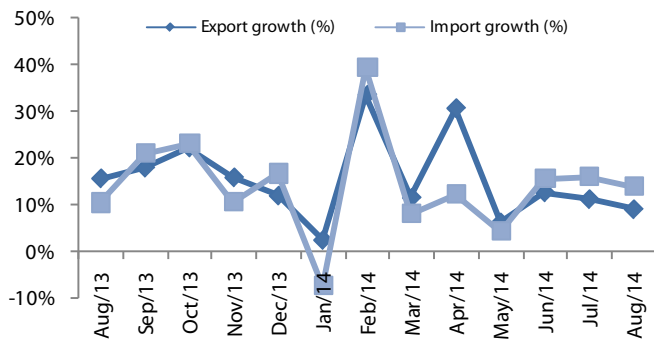
Sources: GSO. Rongviet Securities database

Graph 4: HSBC - PMI



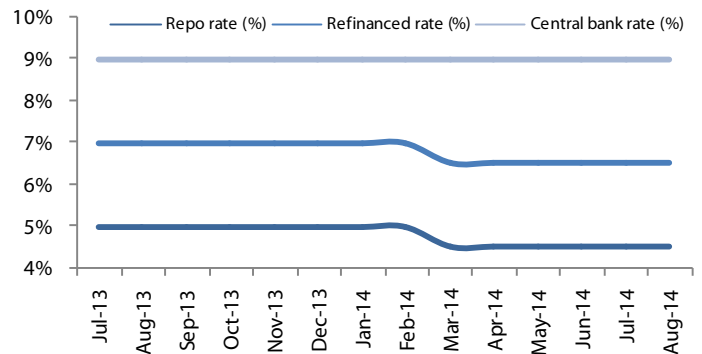
Sources: GSO. Rongviet Securities database

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
HSG - The hard part has gradually done!	Aug 21 st . 2014	Accumulate – Intermediate term	48.100
HPG - On the way to dominate nationwide' market shares	Aug 12 th . 2014	Accumulated – Intermediate-term	66.400
NBB – A new chaater with co-investment	Jul 31 st . 2014	Buy – Intermediate term	27.400
DBC-Benefit from decline in material price	May 27 th . 2014	Buy – Long-term	28.000
FPT-Leaping revenue	May 27 th . 2014	Accumulate – Intermediate-term	51.600

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	12/08/2014	0-0.75%	0-2.5%	11.191	11.182	0.08%
VF1	14/08/2014	0.20% - 1.00%	0.50%-1.50%	22.289	22.263	0.11%
VF4	13/08/2014	0.20% - 1.00%	0.00%-1.50%	10.088	10.211	-1.21%
VFA	15/08/2014	0.20% - 1.00%	0.00%-1.50%	7.571	7.537	0.45%
VFB	15/08/2014	0.30% - 0.60%	0.00%-1.00%	11.110	11.120	-0.10%
ENF	08/08/2014	0.00% - 3.00%		10.255	10.152	1.01%

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