

JULY

14

MONDAY

*“Investment  
strategy: Q2  
earnings results,  
again!”*

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ADVISORY DIARY

- **Corporate Movement: CMISStone Viet Nam JSC (HNX – CMI)**
- **Lowering listed price, MWG limited up (~20%) in the first trading day.**
- **Investment strategy: Q2 earnings results, again!**

#### **Corporate Movement: CMISStone Viet Nam JSC (HNX – CMI)**

In the discussion this morning with RongViet investors, our analysts mentioned about CMISStone Viet Nam JSC. CMISStone Viet Nam operates mainly in mining and processing minerals, construction stone and materials. During the last years, CMI business results fluctuated unstable. However, our analyst saw that there have been some positive movements of CMI recently.

Since the second half of 2013, company core business changed remarkably thanks to Tran Hung – Yen Bai iron ore mine which has been put into operation since Aug, 2013, contributed to nearly 80% of net revenue (~VND 41-43 bn). Gross profit margin increased sharply from 14% in 2012 to 52% in 2013, net profit was just over ten times larger than the same period (VND 13.1 bn).

In 2014, Tran Hung – Yen Bai is expected to be the main income with planned revenue and net earning about VND77.9 bn and VND 19.4 bn, respectively. Besides, company also has more 2 new projects which will operate in late 2014: (1) Van Xuan – Ha Tinh stone mine (Q3/2014); and (2) Khwambang – Laos (was delayed due to the prolonged rainy season and is expected to come into operation in Q4/2014). According to our analysts, Van Xuan project could contribute to 2014 earning result since Q3, meanwhile, Khwambang project is expected to bring specific outcome in 2015.

Another outstanding point of company in 2014 is the reinvestment of two plants (artificial stones Plant and super-finish minerals fines Plant). The investment capital arrangement for those plants is being executed and two plants will come on stream produce products in the first half of 2015. In addition to above reinvestment, company has been prepare material resources for two plants through Quy Hop – Nghe An project which would provide 70% of materials input, 30% of products will be exported to Korea and Japan.

Though we appreciate medium and long term outlook of CMI' company but our analyst also warn that there is possibility that company could not complete 2014 earning plan (EAT ~ VND40 bn) because of some projects that are behind schedule. Investors who have interested in CMI share could keep a close watch to our company report which will be issued this month.

#### **Lowering listed price, MWG limited up (~20%) in the first trading day.**

Market opened the week of 14/07-18/07 with liquidity decreased slightly, in which, Mobile World JSC. (HSX – MWG) stand out with impressive gain and high demand (~average 1.4 million units).

We supposed this effect of MWG stem from two factors: (1) Ahead of listing, MWG adjusted listed price from VND85,000/share to VND68,000/share (-20%); (2) MWG' chairman – Mr. Nguyen Duc Tai registered to buy 200,000 MWG shares with planned time from Jul 14- Aug 18, 2014. According to previous share of Mr. Tran Kinh Doanh – MWG' deputy director, company listed goal is not raising finance but supporting major shareholders divest their capital. Low deal volume of MWG today showed that investors who hold MWG shares were not much excited with the price of VND81,500/ share. However, we think larger supply will show up when MWG price get over VND85,000/share, equivalent to the divest price of MeKong Capital in the early of May, 2014.

**Investment strategy: Q2 earnings results again.**

Not many supporting news but market has recovered after last week correction. It is easy to see that though bouncing with not very high volume but share price movements are quite positive, gaining scenario repeated at most of shares which are supported by Q2/2014 earnings results, typically are tires stocks (CSM, DRC), oil & gas stocks (PVD, PVS) and textile (TCM).

CSM has just announced Q2 earnings results, accordingly, revenue and profit are higher a bit than our previous estimates, revenue is about ~VND784 bn and net profit is about ~VND90 bn. Thus, in the first half of 2014, CSM has reached nearly 44% revenue plan but completed 72% earning plan.

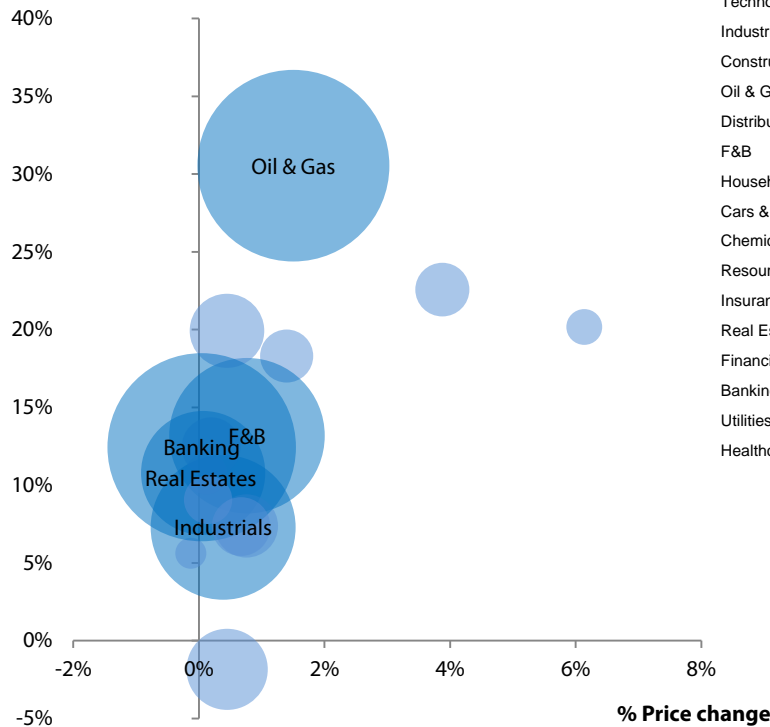
As Petrotimes provided, China could remove 981 rig oil out of current position tomorrow (Jul, 15) in order to avoid Rammasun storm. If this comes true, we believe this would be great news for investors in Vietnam stock market, though market has recovered a lot after "East Sea" event.

We suppose that investors' psychology will be in the mood of stable to positive this week, thus, accumulating in narrow range could be a possible scenario for indices in the week of Jul,14 – Jul,18 2014.

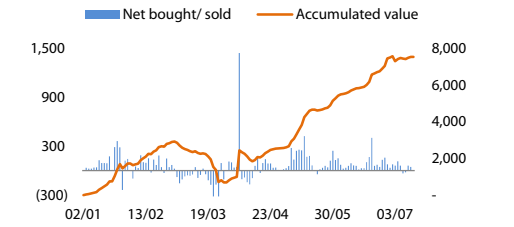


**Industry Movement**

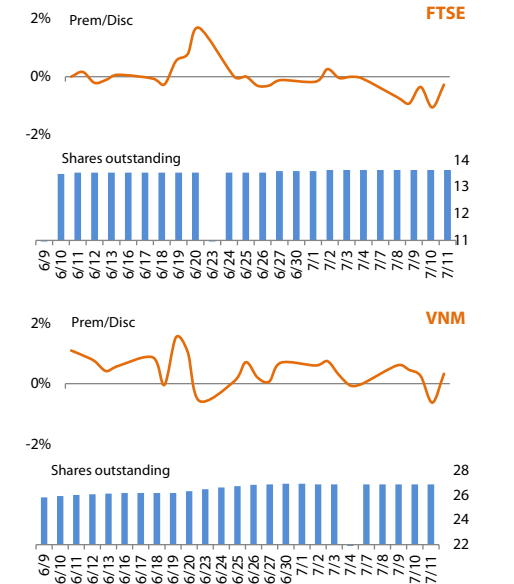
**Industry ROE**



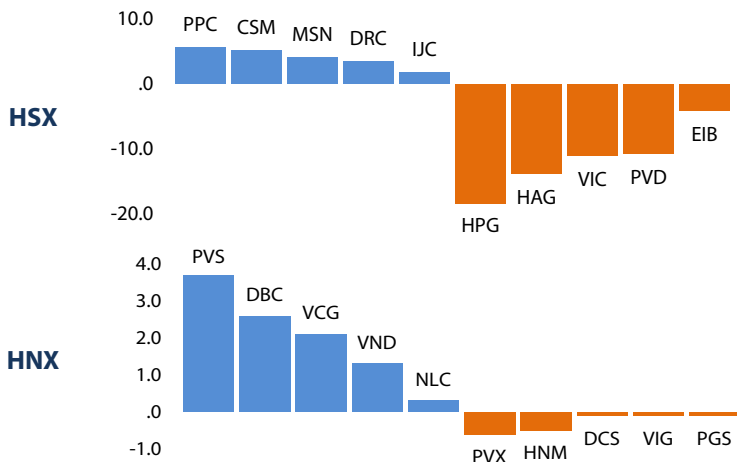
**Foreign Investors Trading**



**ETF**



**Top net bought/sold by foreigners (VND bn)**



**Top Active**

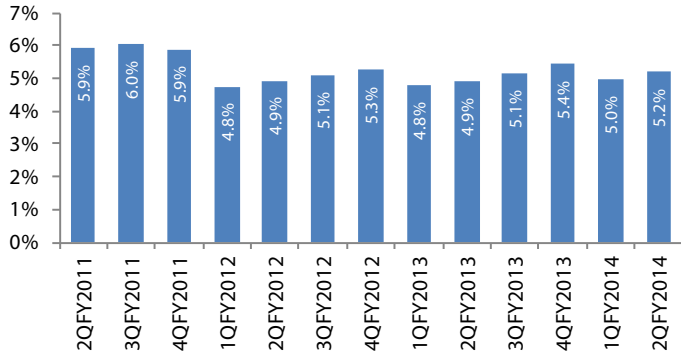
Ticker	Price	Volume	% price change
FLC	13.30	12.17	2.3%
ITA	8.10	3.67	-1.2%
PET	18.30	2.61	3.4%
NHS	11.70	2.15	0.0%
HAG	25.40	2.01	1.6%

Ticker	Price	Volume	% price change
PVS	32.00	4.45	3.2%
PVX	4.60	3.92	-0.2%
SHB	9.10	2.97	-1.1%
SCR	9.10	2.41	-0.7%
KLS	12.50	1.80	-0.1%

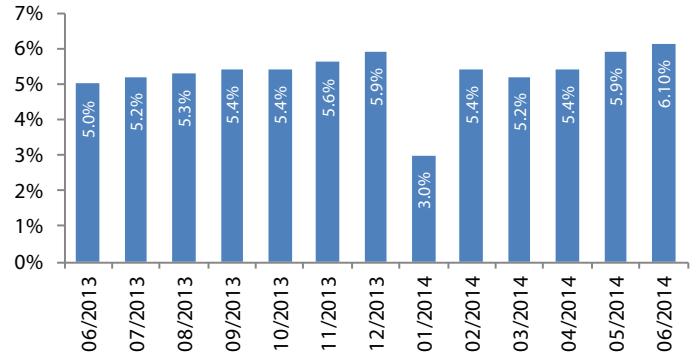
**MACRO WATCH**

**Graph 1: GDP Growth**



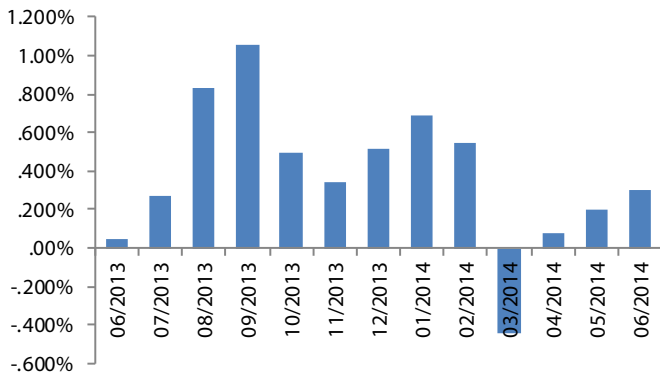
Sources: GSO, Rongviet Securities database  
(\* Comparison price in 1994)

**Graph 2: IIP**



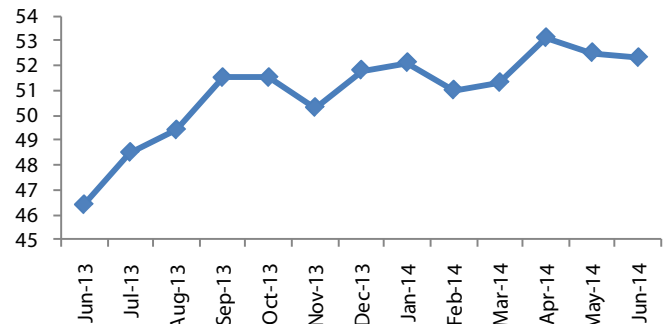
Sources: GSO, Rongviet Securities database

**Graph 3: Monthly CPI**



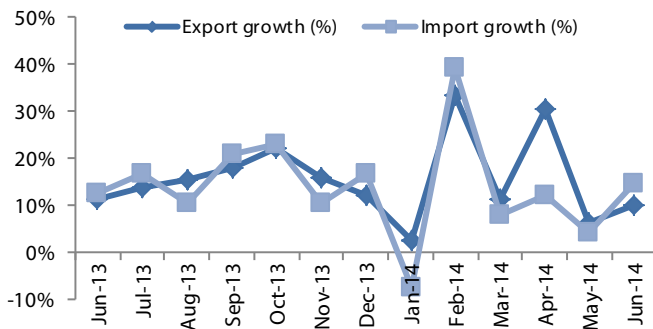
Sources: GSO, Rongviet Securities database

**Graph 4: HSBC - PMI**



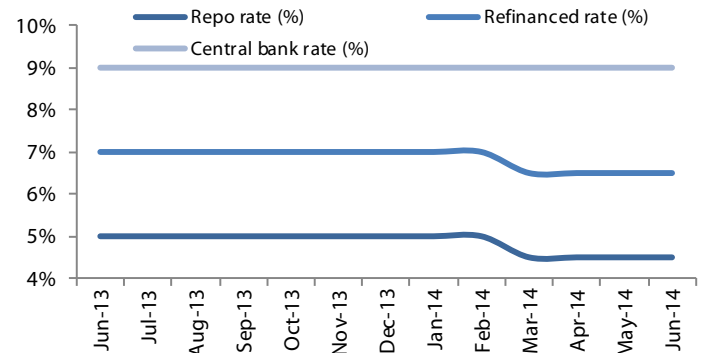
Sources: GSO, Rongviet Securities database

**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
DBC-Benefit from decline in material price	May 27 <sup>th</sup> , 2014	Buy – Long-term	28,000
FPT-Leaping revenue	May 27 <sup>th</sup> , 2014	Accumulate – Intermediate-term	51,600
NBB-Strengthened cash flows	May 07 <sup>th</sup> , 2014	Buy – Long-term	36,300
DIG-Reboot	April 28 <sup>th</sup> , 2014	Accumulated – Long-term	19,200
HPG-Sustainable Development	April 24 <sup>th</sup> , 2014	Accumulated – Intermediate-term	55,100

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	01/07/2014	0.75%	0.75%	10,881	10,833	0.44%
VF1	03/07/2014	0.20% - 1.00%	0.50%-1.50%	21,377	21,100	0.60%
VF4	02/07/2014	0.20% - 1.00%	0.00%-1.50%	9,704	9,527	1.86%
VFA	04/07/2014	0.20% - 1.00%	0.00%-1.50%	7,411	7,377	0.47%
VFB	04/07/2014	0.30% - 0.60%	0.00%-1.00%	10,853	10,799	0.50%
ENF	27/06/2014	0.00% - 3.00%		9,888	9,785	1.05%

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