

MAY

07

WEDNESDAY

“Does measles affects NinoMaxx fashion sales?”

ADVISORY DIARY

- **CII at the floor and a sure-fire tactic**
- **Does measles affects NinoMaxx' fashion sales**

CII at the floor and a sure-fire tactic

While many stock, small and large caps alike, turned to gain, CII was stuck at the floor for the entire trading day, also the ex-entitlement date for the purchase of its convertible bonds. We see this nothing more than the act of the swift-hand arbitrageurs.

As known from the bond prospectus, an investor with 100 shares of CII may purchase a convertible of VND1 million of face value. Then, he may convert the bonds to share at a price of VND11.000/shares to get another 90.9 shares of CII. So, if the investor bought the first 100 shares at yesterday close of VND26.100/share, after 6 months, he will have 190.9 shares at an average cost price of VND18.909/share. As long as the investor manages to sell above this price, he will get a virtually riskless profit. Without the an intraday price range imposed, it would be almost impossible for the investor exercise his strategy as other arbitrageurs will also act to bring the market price of the stock to the VND18.909/share. However, with the current price range limit on the HSX, the investor still has a 3 or 4 more days to capitalize the opportunity.

Anyway, in case investors was not able to sell before the price level down, the bonds still make an attractive investment with a coupon rate of 12%/year.

Does measles affects NinoMaxx' fashion sales

If I ask the famous fashion brand's owner the same question, he may just give a cheerful “No” but many stock traders may say yes. Most of the time, people go shopping when they are relaxed and happy and the recent measles epidemic may cause NinoMaxx' customers to lose their spending mood.

Investors' worries over Russia – US-Ukraine tension as well as South China Sea heating up are just the equivalence of measles concerns to NinoMaxx. When the worries settle, investors will naturally regain their calmness. Confidence, however, is usually a lagged factor in this case. Actually, that was what we saw in the market today: indices ended in a green shade while liquidity remained tepid. We expect to see an even distribution of ups and downs in the upcoming days.

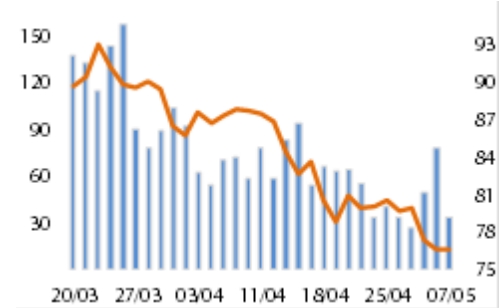
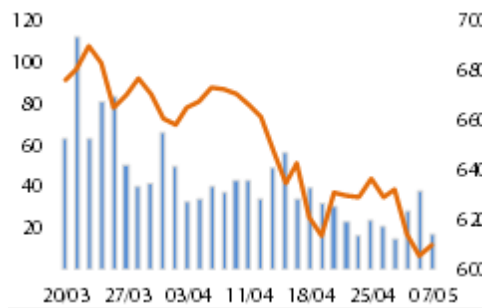
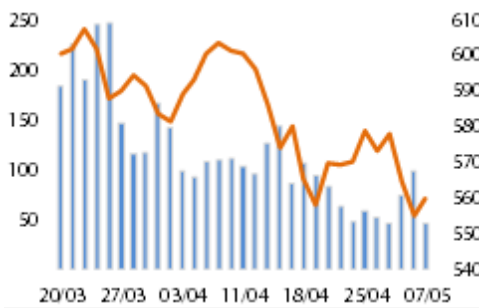
PS: Yesterday, one of our clients, also a reader of RongViet's Advisory Diary asked if we could have chosen a worse time to publish statistics on brokerage houses' outstanding balance margin lending. We do not deny nor approve the truthfulness of the client's opinion about the bottom of the market but we understand that other readers may have had the same question. Our answer is “Fear will not become panic as long as we have a picture in our mind what it is as well as the capability to measure it”. And that is the exact reason we decided to provide dear investors with our data on the outstanding balance margin lending (by the end of 1Q2014) yesterday.

Tai Nguyen

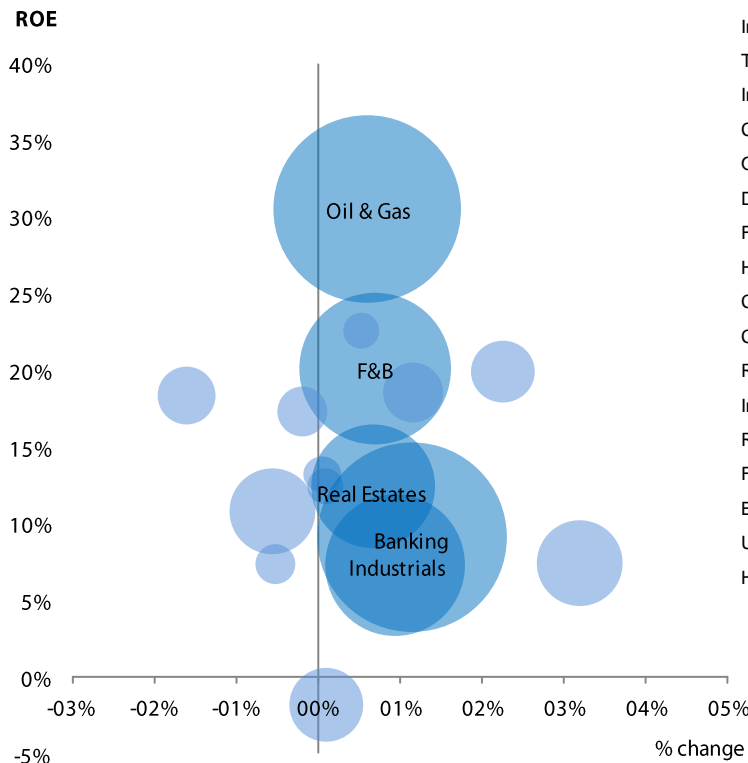
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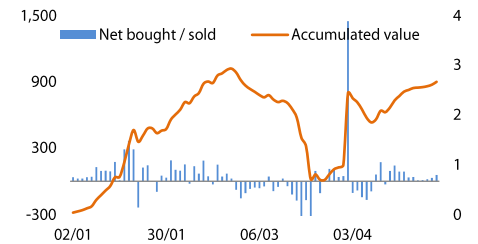
VNIndex -1.72% 555.11 **VN30 -1.49% 605.20** **HNIndex -1.05% 76.55**



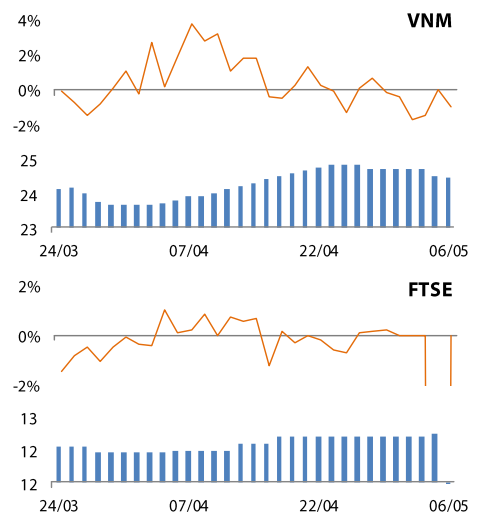
Industry Movement



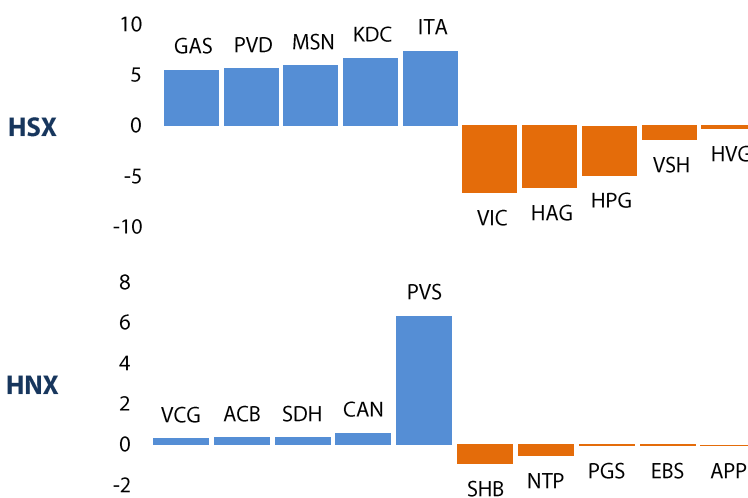
Foreign Investors Trading



ETF



Top net bought/sold by foreigners (VND bn)



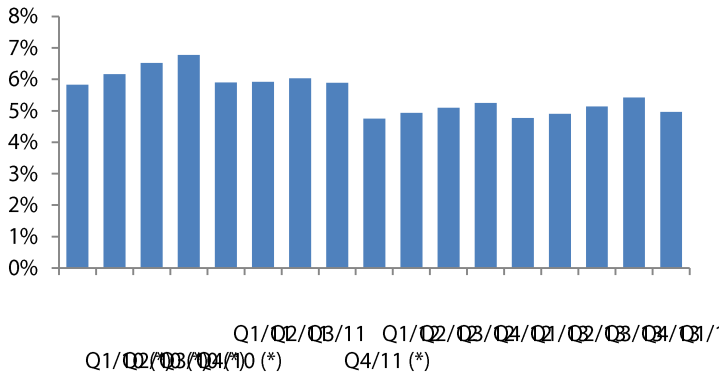
Top Active

Ticker	Price	Volume	% P change
ITA	8.00	3.70	0.00%
FLC	9.50	3.44	-2.06%
DLG	7.60	2.19	-6.17%
HLA	2.80	1.75	-3.45%
HQC	6.50	1.74	0.00%

Ticker	Price	Volume	% P change
PVX	4.80	4.37	-2.04%
SHB	8.70	3.59	-1.14%
SCR	8.30	3.47	0.00%
KLS	10.30	2.34	-2.83%
SHS	8.30	2.23	-3.49%

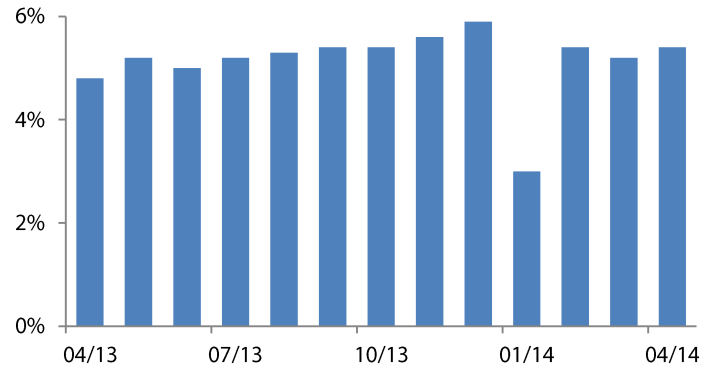
MACRO WATCH

Graph 1: GDP Growth



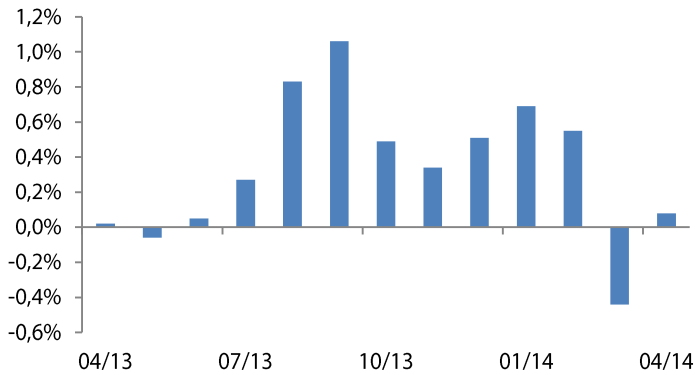
Sources: GSO, Rongviet Securities database
(*) Comparison price in 1994

Graph 2: IIP



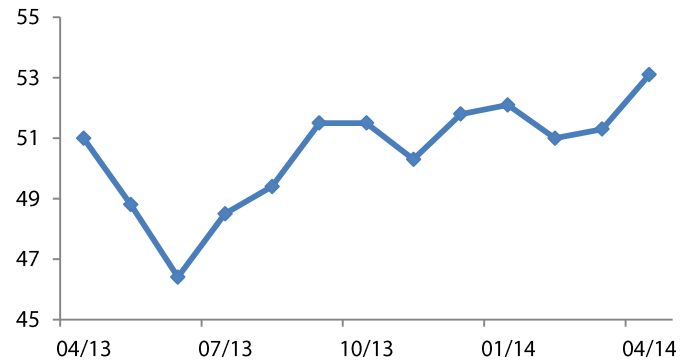
Sources: GSO, Rongviet Securities database

Graph 3: Monthly CPI



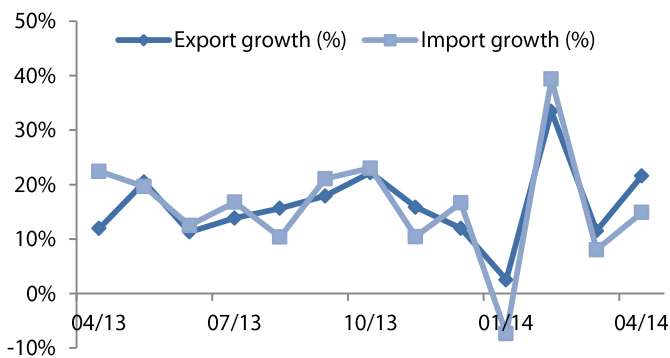
Sources: GSO, Rongviet Securities database

Graph 4: HSBC - PMI



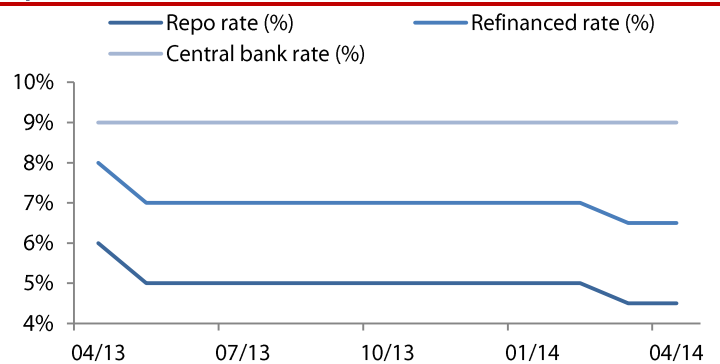
Sources: GSO, Rongviet Securities database

Graph 5: Trade Growth



Sources: GSO, Rongviet Securities database

Graph 6: Interest



Sources: SBV, Rongviet Securities database

RONG VIET NEWS

COMPANY REPORTS (5 Most Recent)	Issued Date	Recommend	Target Price
DIG-Reboot	April 28 th , 2014	Accumulated –Long-term	19,200
HPG-Sustainable Development	April 24 th , 2014	Accumulated –Intermediate-term	55,100
CSM-Radial and long-term growth	April 4 th , 2014	Neutral –Intermediate-term	46,700
PPC-Stay firm	April 4 th , 2014	Neutral –Long-term	25,200
BMP- Stable in hardship	April 4 th , 2014	Neutral –Intermediate-term	87,700

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	29/04/2014	0.75%	0.75%	10,727	10,610	1.10%
VF1	24/04/2014	1.00%	0.50%-2.00%	21,500	21,844	-1.58%
VF4	23/04/2014	1.00%	0.50%-2.00%	9,812	10,137	-3.21 %
VFA	25/04/2014	1.00%	0.50%-2.00%	7,379	7,442	-0.85%
VFB	25/04/2014	1.00%	0.50%-2.00%	10,765	10,720	0.42%
ENF	25/04/2014	0.30%-1.00%		9,773	9,878	-1.06 %

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