

*“The 2nd - 2014
ETF Review”*

- **The 2nd - 2014 ETF Review**
- **Date 03, June: index rose yet liquidity decreased sharply**

The 2nd - 2014 ETF Review

In the yesterday Daily Advisory, we said about the restructuring of two ETFs. Based on our calculation, we would like to point out some important ideas as follow:

For VNM ETF

- These stocks in the portfolio still meet the VNM’s requirements regarding liquidity, market capitalization, foreigner ownership’s holding. In addition, there are no other stocks which satisfy the requirements in order to add to the portfolio of VNM. Thus, we argue that the portfolio will remain unchanged.

- STB increased the percentage of foreign ownership’s holding form 10% to 30%. If Vaneck considers this issue, the share of STB would be increased from 4.37% (30th May) to 6.5%. The number of STB bought by VNM could be around 11.8 million shares.

VNM						
Ticker	Price (30/05/2014)	Weight (30/05/2014)	New weight	Expected Buy/sell value - USD	Expected Buy/sell volume	
1 SHB VN	9,100	2.9%	4.0%	5,924,426	14,219,110	
2 STB VN	20,500	4.4%	6.5%	11,074,413	11,783,955	
3 PPC VN	22,100	1.5%	3.6%	10,996,665	10,446,710	
4 BVH VN	40,500	5.5%	8.0%	13,206,108	6,859,779	
5 VCG VN	12,500	3.0%	3.3%	1,711,059	3,019,306	
6 HAG VN	24,300	2.7%	2.7%	206,760	182,423	
7 VCB VN	29,000	7.0%	7.0%	103,985	75,907	
8 DRCVN	45,700	1.4%	1.3%	(278,348)	(127,885)	
9 GMDVN	32,600	1.5%	1.5%	(200,301)	(130,906)	
10 MSN VN	98,500	8.4%	8.0%	(1,923,724)	(413,336)	
11 PVD VN	84,000	3.5%	3.0%	(2,530,587)	(644,459)	
12 PVTVN	13,000	1.9%	1.8%	(452,516)	(737,305)	
13 DPM VN	32,500	4.8%	4.4%	(1,792,784)	(1,106,266)	
14 OGC VN	10,500	2.1%	1.9%	(593,942)	(1,196,411)	
15 VIC VN	68,500	7.4%	6.0%	(6,981,873)	(2,190,239)	
16 PVS VN	26,800	5.2%	4.1%	(5,903,113)	(4,734,789)	
17 ITA VN	7,900	3.5%	2.8%	(3,796,918)	(10,427,254)	
Tổng		66%	70%			

Source: RongViet Securities

For FTSE ETF:

- Eliminate PET from the portfolio due to its violation in terms of market capitalization conditions, PET’s coverage is beyond the 92% of stipulated market capitalization

- Scenario 1: No ticker is added to the basket of FTSE ETF stocks (high probability).

- Scenario 2: Add HVG or IJC (probability 50/50). According to our calculations, in this portfolio’s review, HVG and IJC are two stocks which have many conditions to be added to the FSTE’s basket of shares. However, market capitalization at May 30th of HVG and IJC has not met the condition of greater than 1% of FTSE Vietnam Index basket’s full capitalization. Therefore, we believe that

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adding stock to replace PET has lower probability of occurrence.

FTSE - Scenario 1: Exclude PET - No addition						
	Ticker	Price (30/05/2014)	MC (30/05/2014)	Weight (30/05/2014)	New weight	Expected Buy/sell volume
1	STB	20,500	23,421	3.6%	7.0%	13,641,020
2	KBC	10,100	3,937	1.4%	1.8%	3,232,651
3	PVT	13,000	3,024	1.2%	1.5%	1,904,643
4	VCB	29,000	67,205	6.0%	6.7%	1,764,001
5	PPC	22,100	7,031	1.7%	2.0%	1,367,765
6	VIC	68,500	61,255	14.3%	15.0%	776,491
7	DIG	14,500	2,073	1.1%	1.2%	667,029
8	PVD	84,000	23,122	10.4%	11.1%	646,103
9	GMD	32,600	3,730	1.9%	2.1%	485,975
10	CSM	40,500	2,725	1.5%	1.6%	201,713
11	DRC	45,700	3,796	1.4%	1.5%	166,306
12	MSN	98,500	72,389	15.0%	15.0%	(31,503)
13	BVH	40,500	27,559	2.6%	2.4%	(217,348)
14	HSG	44,900	4,324	2.5%	2.4%	(262,324)
15	VSH	16,600	3,424	1.6%	1.6%	(345,957)
16	OGC	10,500	3,150	0.9%	0.8%	(782,833)
17	PET	15,600	1,090	0.6%	0.0%	(3,076,598)
18	ITA	7,900	5,673	3.4%	3.0%	(3,482,336)
19	DPM	32,500	12,348	5.7%	4.2%	(3,565,836)
20	HPG	51,000	24,577	14.4%	11.7%	(3,984,486)
21	HAG	24,300	17,451	8.8%	7.4%	(4,351,312)

Source: RongViet Securities

FTSE - Scenario 2: Exclude PET - Add HVG						
	Ticker	Price (30/05/2014)	MC (30/05/2014)	Weight (30/05/2014)	New weight	Expected Buy/sell volume
1	STB	20,500	23,421	3.6%	6.9%	13,089,968
2	HVG	24,900	2,988	0.0%	1.7%	5,228,265
3	KBC	10,100	3,937	1.4%	1.8%	2,758,340
4	PVT	13,000	3,024	1.2%	1.5%	1,553,884
5	VCB	29,000	67,205	6.0%	6.6%	1,411,092
6	PPC	22,100	7,031	1.7%	2.0%	1,123,528
7	VIC	68,500	61,255	14.3%	15.0%	776,491
8	PVD	84,000	23,122	10.4%	10.9%	467,983
9	DIG	14,500	2,073	1.1%	1.1%	381,845
10	GMD	32,600	3,730	1.9%	2.0%	312,219
11	CSM	40,500	2,725	1.5%	1.6%	80,687
12	DRC	45,700	3,796	1.4%	1.4%	64,775
13	MSN	98,500	72,389	15.0%	15.0%	(31,503)
14	BVH	40,500	27,559	2.6%	2.4%	(351,047)
15	HSG	44,900	4,324	2.5%	2.3%	(385,755)
16	VSH	16,600	3,424	1.6%	1.5%	(644,818)
17	OGC	10,500	3,150	0.9%	0.7%	(1,138,843)
18	PET	15,600	1,090	0.6%	0.0%	(3,076,598)
19	DPM	32,500	12,348	5.7%	4.2%	(3,799,964)
20	ITA	7,900	5,673	3.4%	2.9%	(4,216,778)
21	HPG	51,000	24,577	14.4%	11.5%	(4,284,676)
22	HAG	24,300	17,451	8.8%	7.2%	(4,790,441)

Source: RongViet Securities

FTSE -Scenario 3: Exclude PET - Add IJC						
	Ticker	Price (30/05/2014)	MC (30/05/2014)	Weight (30/05/2014)	New weight	Expected Buy/sell volume
1	STB	20,500	23,421	3.6%	6.9%	13,327,713
2	IJC	12,500	3,427	0.0%	1.0%	5,822,262
3	KBC	10,100	3,937	1.4%	1.8%	2,927,652
4	PVT	13,000	3,024	1.2%	1.5%	1,675,694
5	VCB	29,000	67,205	6.0%	6.6%	1,562,620
6	PPC	22,100	7,031	1.7%	2.0%	1,212,049
7	VIC	68,500	61,255	14.3%	15.0%	776,491
8	PVD	84,000	23,122	10.4%	11.0%	548,401
9	DIG	14,500	2,073	1.1%	1.2%	477,244
10	GMD	32,600	3,730	1.9%	2.0%	375,434
11	CSM	40,500	2,725	1.5%	1.6%	123,025
12	DRC	45,700	3,796	1.4%	1.4%	99,742
13	MSN	98,500	72,389	15.0%	15.0%	(31,503)
14	BVH	40,500	27,559	2.6%	2.4%	(301,193)
15	HSG	44,900	4,324	2.5%	2.3%	(339,971)
16	VSH	16,600	3,424	1.6%	1.5%	(540,767)
17	OGC	10,500	3,150	0.9%	0.7%	(1,026,837)
18	PET	15,600	1,090	0.6%	1.5%	(3,076,598)
19	DPM	32,500	12,348	5.7%	4.2%	(3,705,131)
20	ITA	7,900	5,673	3.4%	2.9%	(3,934,307)
21	HPG	51,000	24,577	14.4%	11.6%	(4,148,471)
22	HAG	24,300	17,451	8.8%	7.3%	(4,599,862)

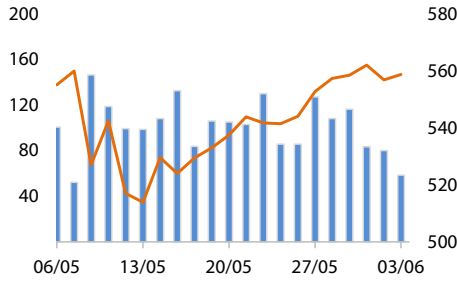
Source: RongViet Securities

Date 03, June: index rose yet liquidity decreased sharply

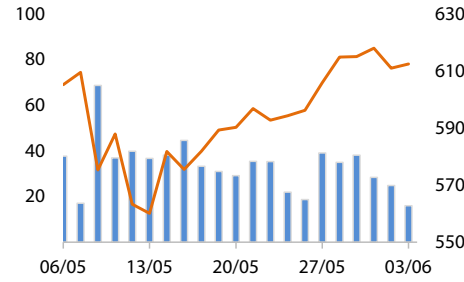
Overall volume on both bourses has downed by 28% today while VNIndex' gain depended mostly on GAS (+1.6%) are what we recognized clearly in today trading. This supports our opinion that in the short run, the ability to break out current resistance level is slim.

Watch over banking shares' movement, STB was the most noticeable ticker with strong demand and is the only gainer of this industry. STB' recent trading is supported by the possibility that this share will be raised proportion on both ETFs' portfolios in this ETF' review. According to RongViet Securities' estimate, STB' volume which will be bought in this review is approximately 25 mil units, and we think this action if come true will add more attractiveness for STB share in the short term.

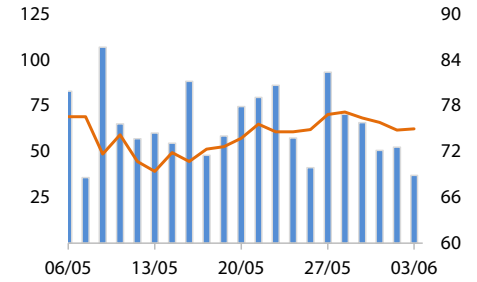
VN INDEX 0,35% **558,76**



VN30 0,25% **612,49**

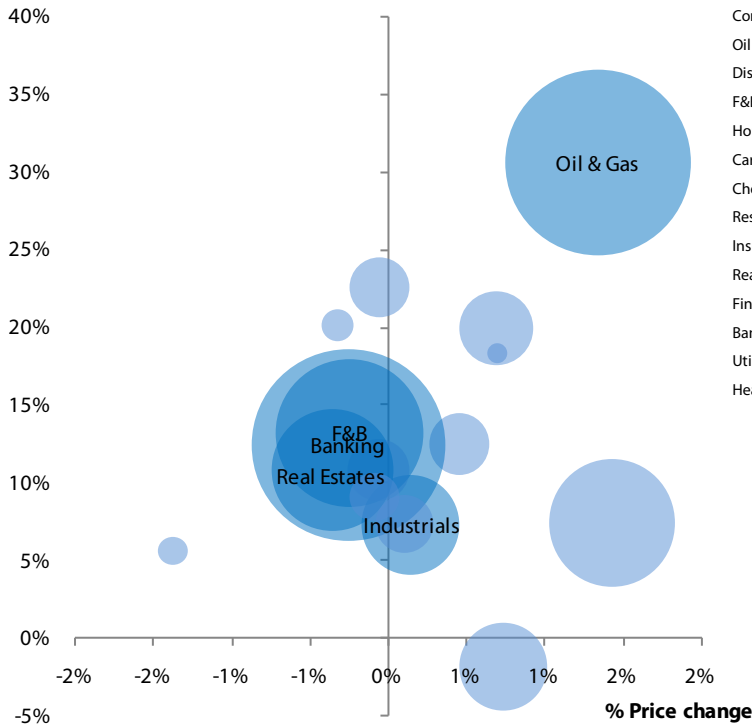


HNX INDEX 0,20% **74,96**

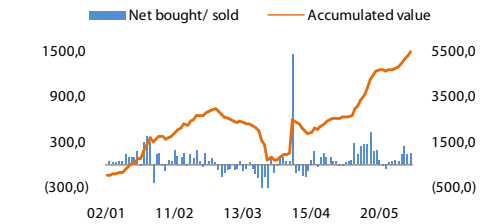


Industry Movement

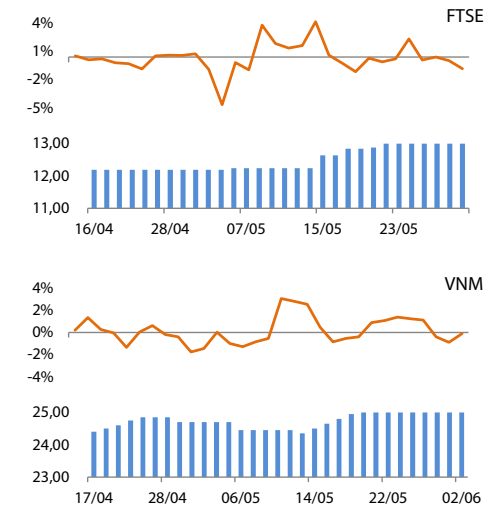
Industry ROE



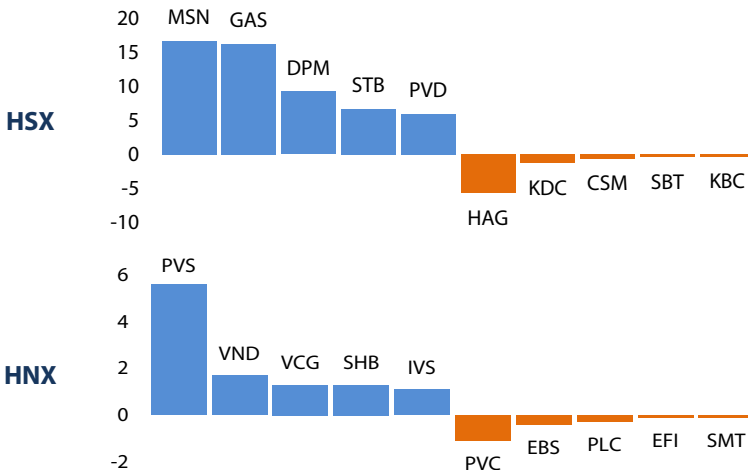
Foreign Investors Trading



ETF



Top net bought/sold by foreigners (VND bn)



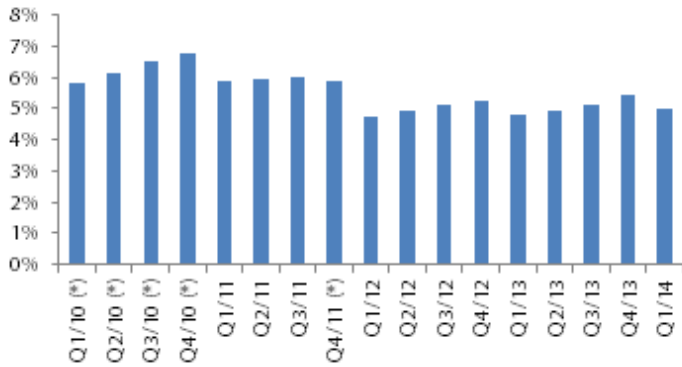
Top Active

Ticker	Price	Volume	% price change
FLC	10,50	10,55	-1,0%
LCG	6,60	3,56	3,1%
HQC	6,70	2,54	4,7%
ITA	7,80	2,02	1,3%
IJC	11,90	1,86	1,7%

Ticker	Price	Volume	% price change
KLF	11,10	6,63	3,1%
PVX	5,10	3,24	1,2%
KLS	10,90	2,84	1,5%
SCR	8,20	2,76	1,5%
ITQ	8,90	1,97	-9,4%

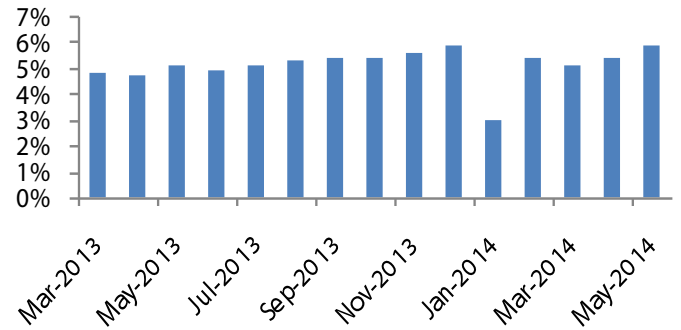
MACRO WATCH

Graph 1: GDP Growth



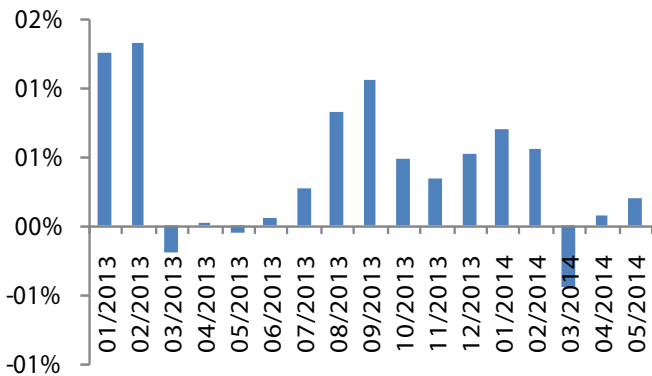
Sources: GSO, Rongviet Securities database
(*) Comparison price in 1994

Graph 2: IIP



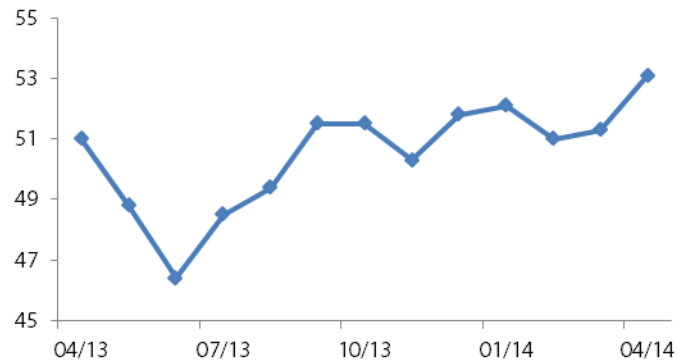
Sources: GSO, Rongviet Securities database

Graph 3: Monthly CPI



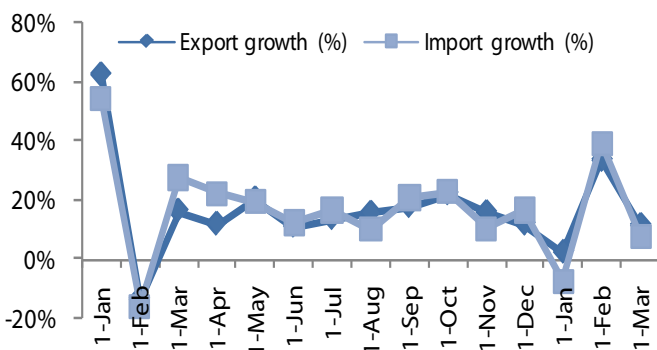
Sources: GSO, Rongviet Securities database

Graph 4: HSBC - PMI



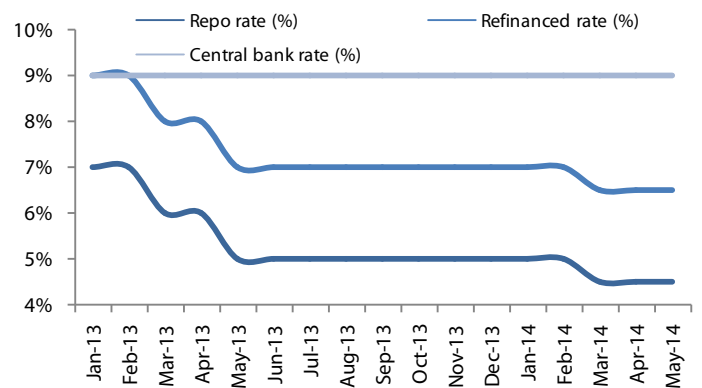
Sources: GSO, Rongviet Securities database

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
FPT-Leaping revenue	May 27 th , 2014	Accumulate – Intermediate-term	51,600
NBB-Strengthened cash flows	May 07 th , 2014	Buy – Long-term	36,300
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

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	27/05/2014	0.75%	0.75%	10,740	10,688	0.49%
VF1	29/05/2014	0.20% - 1.00%	0.50%-1.50%	20,682	20,387	1.45%
VF4	28/05/2014	0.20% - 1.00%	0.00%-1.50%	9,249	8,997	2.80 %
VFA	30/05/2014	0.20% - 1.00%	0.00%-1.50%	7,362	7,349	0.19%
VFB	30/05/2014	0.30% - 0.60%	0.00%-1.00%	10,763	10,764	-0.01%
ENF	23/05/2014	0.00% - 3.00%		9,592	9,358	2.50 %

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