

OCTOBER

10

FRIDAY

“More chances for investors to restructuring portfolio next week”

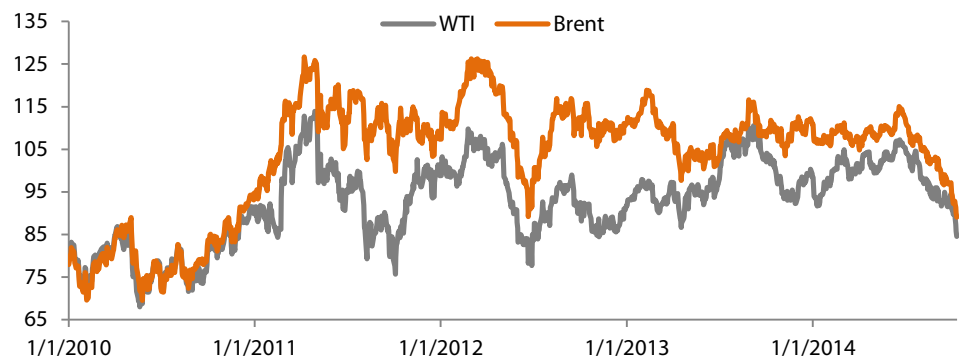
ADVISORY DIARY

- **Oil prices continued to nosedive – PVD Update**
- **More chances for investors to restructuring portfolio next week**
- **Weekly Technical Analysis**

Oil prices continued to nosedive – PVD Update

Oil prices have been losing momentum since June, and oil prices lower on signs of excess supply in early October. As regards the peak in late June, oil spot prices dropped by 2%; meanwhile, as compared with early year, WTI price decreased by 14% and Brent oil price went down by 20%. Brent oil prices now decreased to the level of USD90 per barrel, its lowest since July 2012.

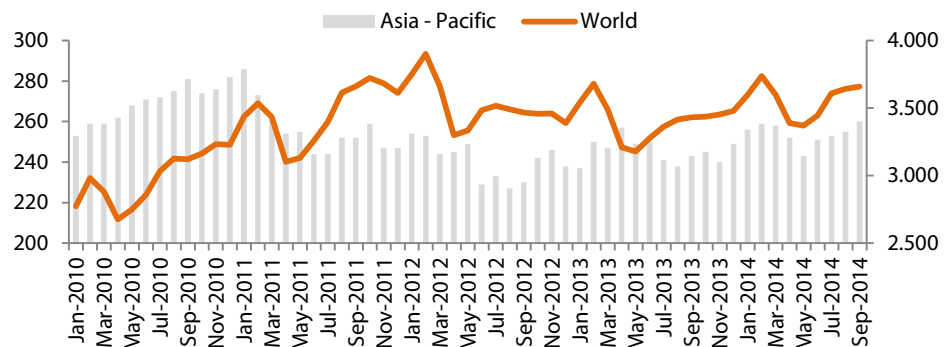
Figure 1: Global oil price movement (2010- now)



Source: Bloomberg

According to Bloomberg, in U.S. securities market, due to losing streak of oil prices, stock prices of oil companies witnessed a significant slip since June 2014. However, some evaluations showed that oil exploration activities continue its warmth regardless of plummet oil price. According to the newest statistics of Baker Hughes, a number of global rigs increased by 17 rigs in September 2014. As compared with the same period, the USA, Canada and Asia-Pacific are three most regions which contractors strengthened exploration and production activities. According to analysts, although going down to USD90 per barrel, exploration and production oil companies’ profits are likely to guarantee.

Figure: A number of drilling rigs in the Asia- Pacific region and world



Source: Baker Hughes

In Vietnam stock market, our latest report of PetroVietnam Drilling & Well Service (HSX: PVD) named “Busy O&G exploitation brought warmth”, our outlook has still kept unchanged under circumstance of currently striking oil and gas price. Firstly, Vietnam’s O&G exploration and production picked up great speed in the Asia- Pacific region, including Vietnam. Leased rigs and welling services is less likely to suffer negative impact of oil price in short-term. Secondly, according to the newest update, one more leased rig has been added in comparison with the data on September 17, 2014. Particularly, PVD hires an additional leased rig (Naga 6) that will have been put in operation since October 2014 in a term of 250 days, and the rent price is approximately 186,000 USD per day. Moreover, the contract term of Naga 3 rig will be extended until 1Q2015 and as PVD’s sharing, the term seems likely to extend till the end of 2015. The number of leased rigs has been increased that contributes either to revenue, profit of drilling service or to expand related services. As the Company’s estimate, NAT in 3Q2014 will reach VND611 billion, increasing 13% to the same period. To accumulate in 3 quarters, PVD’s profit has been surplus in comparison to the target. The revenue and NAT of PVD this year seems to be surpass our estimates in the latest update thanks to increasing leased rigs (Revenue: VND19,338 billion and NAT to parent shareholder of : VND2,373 billion).

More chances for investors to restructuring portfolio next week

Yesterday, our market analyst commented that GAS could hardly be a convincing leader for market trend. It means uptrend, to be specific, and that thought was confirmed at the last trading day of this week. After the strong gain yesterday, GAS corrected quickly and pulled down the market sentiment. Market breadth narrowed dramatically and VNIndex closed at the lowest level today.

Friday’ trading session is probably not a good end for the week though at the end of the week, VNIndex rose about 1% and HNIndex increased slightly about 0.14%. Foreign investors maintained the net-sold position with net sold value of VND248 bn on both exchanges, downed 19% compared to last week. Contrary to both main indices, VN30 dropped four days in a row and closed with the decrease of 1.14%, implying a not very encouraging start for the first ETF of Vietnam. Amongst VN30, VIC continued to be most net sold by foreigners (~VND157 bn for a week). Compared to last week, we saw that foreign investors changed from net-sold to net-bought position at some tickers like HAG, VCB, MSN, however, this did not impact on those share price’s movement at all.

In upcoming week, as regards macro news, there is unlikelihood to appear prominences, and the investors are still waiting for 3Q2014 performance results; meanwhile, a result of FOMC conference of FED in the end of the week is the most expected in the global stock market. Under circumstance of a forecast of a mix of up and down sessions, we believe that there may be more chances for investors to restructuring portfolio. Optimistic 3Q2014 performance result based on fundamental is the best choice in the next week’s sessions as our consensus.

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WEEKLY TECHNICAL VIEW

VN-Index

VN-Index gained 6.17 points (or 1%), closed at 617.72. Trading volume increased slightly 6.5% up to 150.44 million shares.

After spending time around the 26-day exponential moving average, VN-Index broke out thanked to GAS only and then corrected. The volumes reduced day by day, showing that the demand was not strong. Traders should watch for a move lower to retest its support at around 609.

On weekly chart, a candlestick with short body and long upper shadow formed, showing that the selling forces were strong. It seems that VN-Index needs more time for accumulation before a move higher.

Looking at technical indicators, the MACD cut above the signal line while the RSI climbed from 32 to nearly 60.

The correction of VN-Index seemed to go to the end and the long-term uptrend continued.

HNX-Index

HNX-Index added 0.13 points (or 0.14%), closed at 90.45. Trading volume was equal to previous week with about 379 million shares changed hands.

HNX-Index is now struggling around previous peak at around 91. Although the index went up to 91 area, the volumes did not rise respectively, showing that the demand was not strong. Traders should watch for a move lower to its support at around 89 to rebase before a move higher (equivalent to the EMA(26)).

Looking at technical indicators, the MACD turned up and just cut above the signal line. The RSI went down from 70 to 62 but still remains firmly in a bullish uptrend.

The falling of the ADX is slowing down and a reversal seems to appear soon.

Recommendation:

The two indexes gained points but it seems that they are not ready to go further yet. The volumes showed that the demands were rather weak. The long-term uptrend is still solid and short-term corrections are chances to buy. Short-term investors may come back to the market while long-term investors continue to hold stocks longer for higher targets.

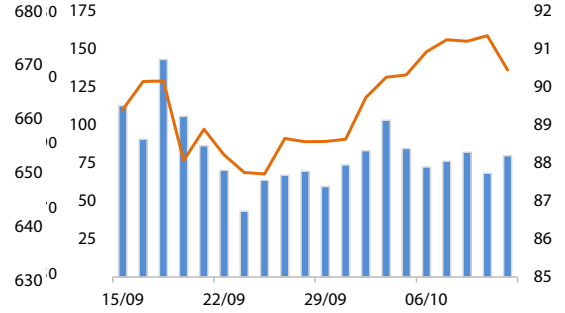
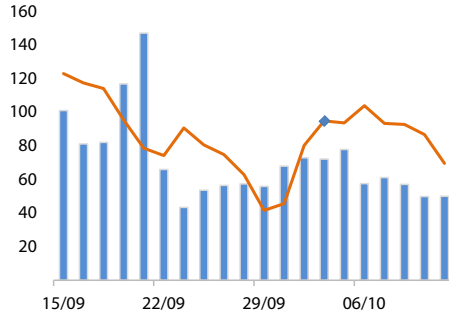
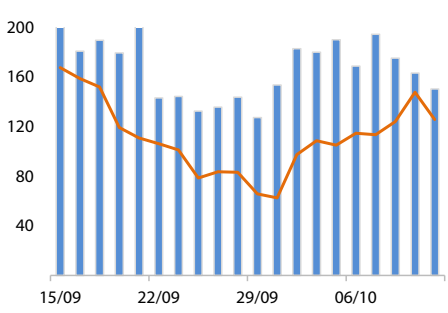


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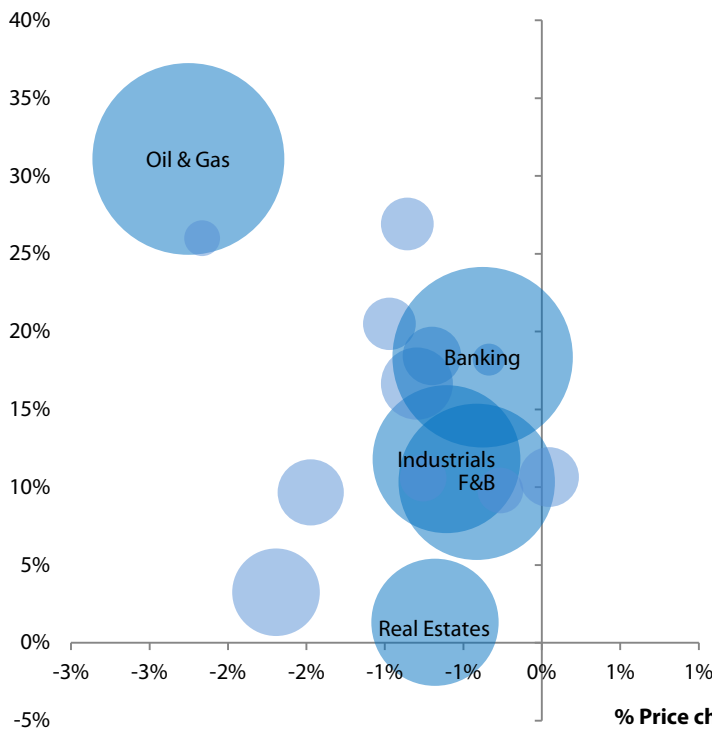
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VNINDEX -1.06% 617.72 VN30 -0.82% 651.72 HNXINDEX -0.99% 90.45



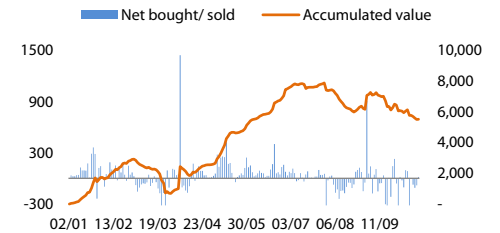
Industry Movement

Industry ROE

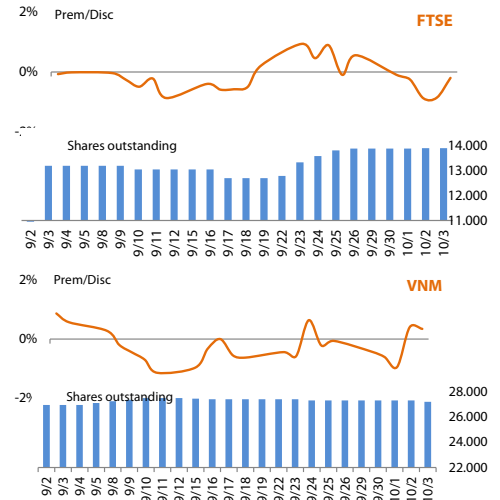


Industry	% change
Technologies	-1.0%
Industrials	-0.6%
Constructions	-1.7%
Oil & Gas	-2.3%
Distribution	-0.3%
F&B	-0.4%
Household Goods	-0.3%
Cars & Parts	-2.2%
Chemicals	-0.7%
Resources	-0.9%
Insurances	-0.8%
Real Estates	-0.7%
Financials	-1.5%
Banking	-0.4%
Utilities	0.0%
Healthcare	-0.8%

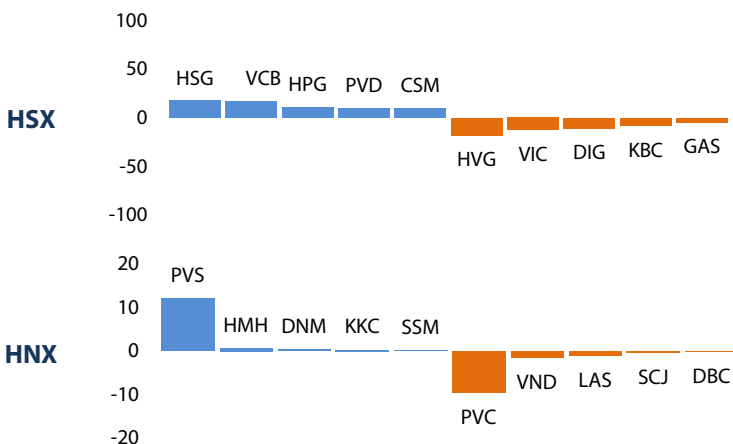
Foreign Investors Trading



ETF



Top net bought/sold by foreigners (VND bn)



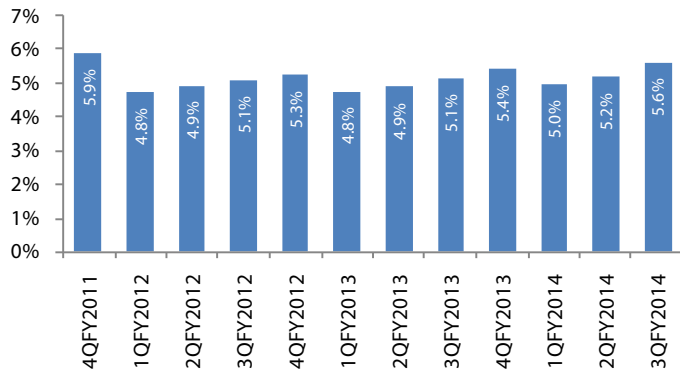
Top Active

Ticker	Price	Volume	% price change
FLC	11.5	12.62	2.6%
ITA	8.9	7.40	2.2%
KBC	16.4	6.83	0.6%
VHG	15.0	5.27	2.0%
SSI	30.5	5.10	1.9%

Ticker	Price	Volume	% price change
PVX	6.60	15.98	1.5%
KLF	12.00	7.34	-1.6%
FIT	25.80	5.32	-3.7%
SCR	10.30	4.36	-1.9%
SHS	12.50	3.73	-3.1%

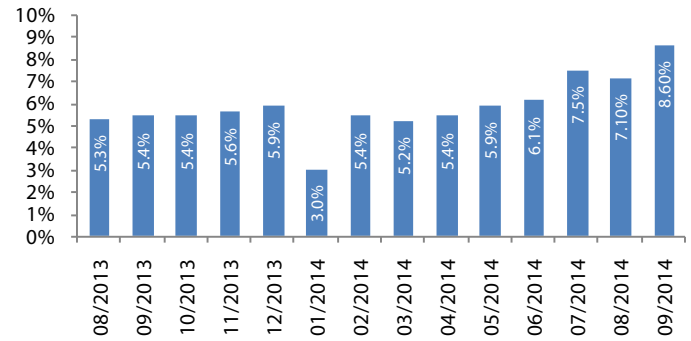
MACRO WATCH

Graph 1: GDP Growth



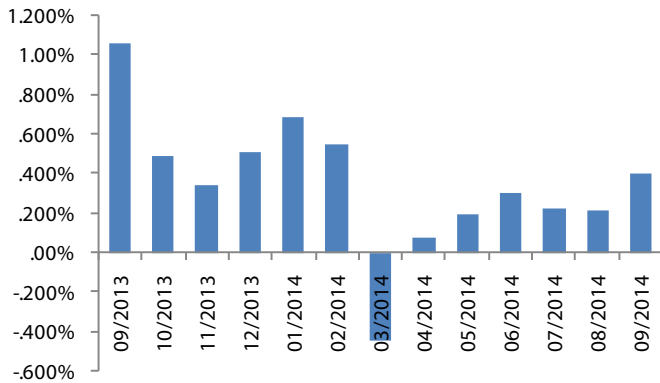
Sources: GSO. Rongviet Securities database
(* Comparison price in 1994)

Graph 2: IIP



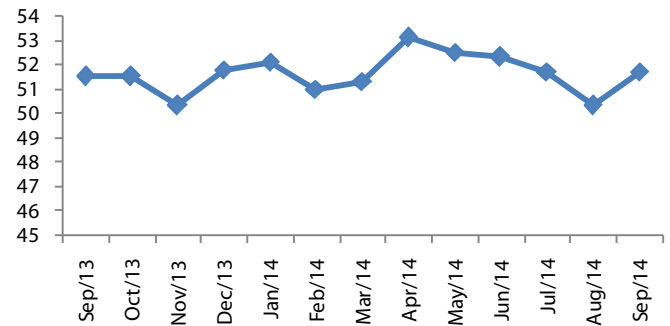
Sources: GSO. Rongviet Securities database

Graph 3: Monthly CPI



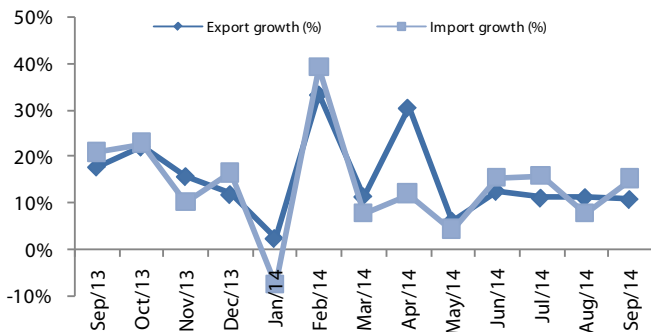
Sources: GSO. Rongviet Securities database

Graph 4: HSBC - PMI



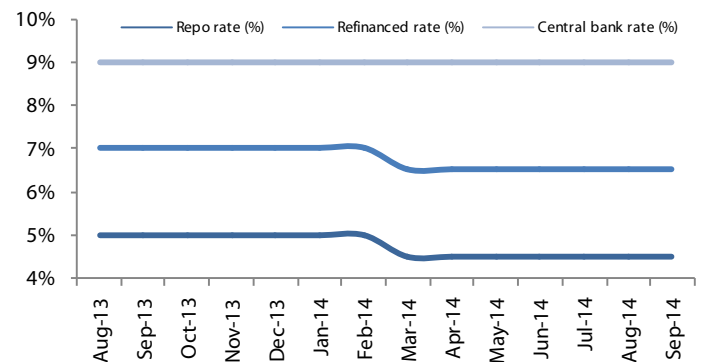
Sources: GSO. Rongviet Securities database

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
DHC - Restructuring yielded juicy fruits	Sep 29 th , 2014	Buy – Intermediate term	25,200
DCL – Chances as bad debts to be solved	Sep 22 th , 2014	Neutral – Long term	37,000
PVD – Busy O&G exploitation brought warmth	Sep 17 th , 2014	Accumulate – Long term	122,00
REE - Solid ground s for sustainable growth	Sept 9 th , 2014	Neutral - Long term	29,700
HSG - The hard part has gradually done!	Aug 21 st , 2014	Accumulate – Intermediate term	48,100

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	30/09/2014	0-0.75%	0-2.5%	11,743	11,702	0.35%
VF1	08/10/2014	0.20% - 1.00%	0.50%-1.50%	23,723	23,714	0.04%
VF4	01/10/2014	0.20% - 1.00%	0.00%-1.50%	10,415	10,541	-1.2%
VFA	03/10/2014	0.20% - 1.00%	0.00%-1.50%	7,767	7,690	1.01%
VFB	03/10/2014	0.30% - 0.60%	0.00%-1.00%	11,761	11,709	0.45%
ENF	26/09/2014	0.00% - 3.00%		10,763	10,761	0.02%

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