

**“The summer stock market seems to mirror that a year ago”**

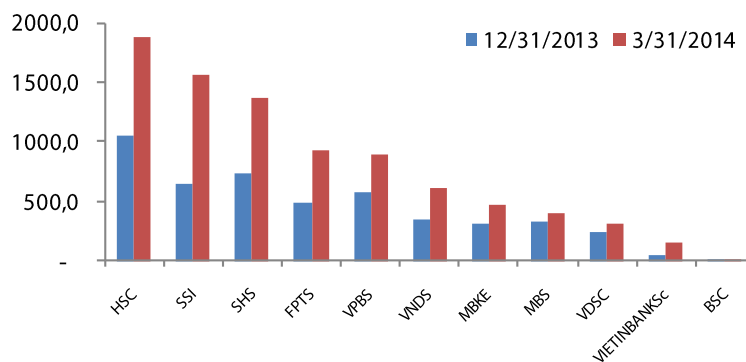
- **Market tumbled amid margin call concerns**
- **The summer stock market seems to mirror that a year ago**
- **FPT – Q1FY14 Result Updates**

**Market tumbled amid margin call concerns**

VNIndex declined to the lowest point since Jan, 2014 (545.97). Not only some pennies had to be sold to the floor, but also the prices of mid-cap stocks and bluechips, with good fundamental, went down.

The cause of bear market today comes from margin calls risk. A research of VDSC from the financial statement of 12 securities firms pointed out that the total margin value (8.500 bil VND) increased 80% of the end of 2013.

Exhibit1: Margin contract values of selected brokerage houses to Q1FY2014



Source: RongViet Securities

Moreover, the scale of margin trading could be higher than our calculation, and the risk of forced sell is repeated. However, we have faith in the return of bull market for several reasons: (1) the stock prices are really low and the capital flow will come back; (2) the positive fundamental factors in macroeconomics leads better situations in near future.

**The summer stock market seems to mirror that a year ago**

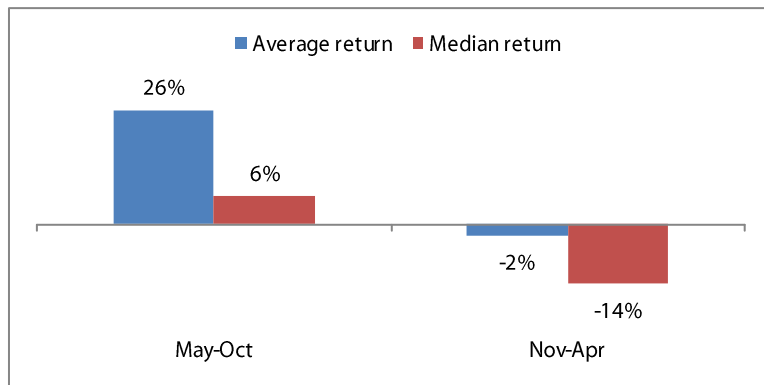
A gloomy start for May has brought concerns to many investors in the stock market. By a statistics of VNIndex from 2001 to date, the stock market has consistently underperformed in the period from May to October. In the period between 2001 and 2013, the primary gauge of HSX. Stock Exchange brought positive returns only 4 out of 13 times whereas the average market return from May to October was as low as -2%. On the contrary the months from November to April, in most of the years surveyed, often saw positive movements in the stock market with the average stock return across the 12-year period of up to 26%. (Exhibit 2)

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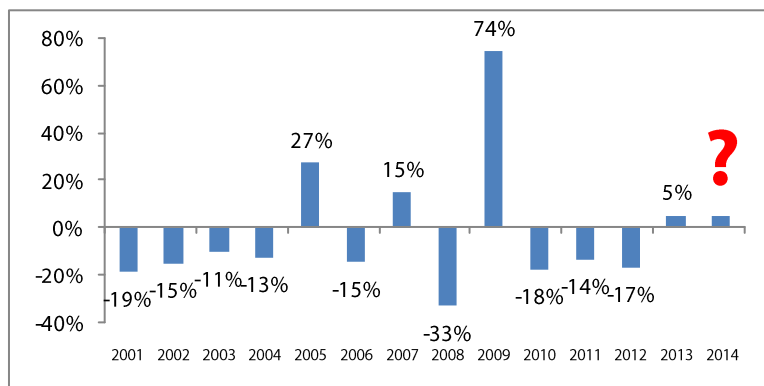
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Exhibit 2: Average returns of VNIndex from 2001-2013



Source: RongViet Securities

Exhibit 3: May-Oct average returns of VNIndex from 2001-2013



Source: RongViet Securities

Above statistics is quite simple but could bring some clues for this year Oct- Nov period. Based on current macro and cash flow conditions, we think the summer stock market seems to mirror that a year ago, thus, could expect a small gain for VNIndex in the next 6 months (the gain in Oct-Nov period for 2013 was 5%). (Exhibit 3)

For inter-medium and long-term investors, we supposed that the recent slump of market could help investors find the reasonable and cheap point to buy stocks with bright prospect for 2014. If we look margin call under positive angle, investors could realize opportunities to accumulate good shares from trading like today.

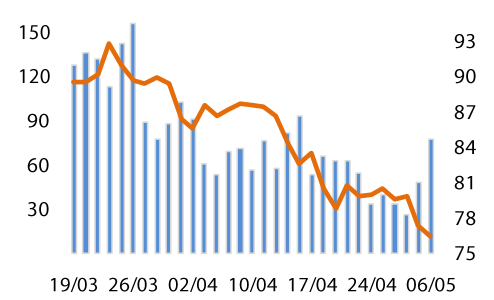
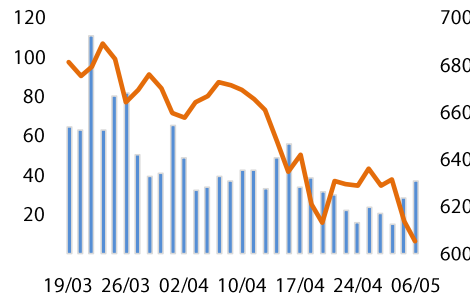
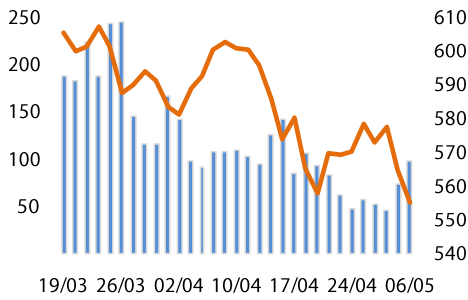
**FPT – Q1FY14 Result Updates**

FPT - FPT Group has announced the report Q1/2014. Accordingly, the total revenue was 10,867.3 bn VND, increases 26% of the previous corresponding period, and accomplished 34% of total annual scheme. It included telecommunication (+21.3%), distribution channel for high-tech products (+33%), and retail (+89%). Retail does not only significantly increase in term of revenue, but also contributes to income of the group. In comparison with the loss of 8 bn VND from retail operation in Q1/2013, this field turned a profit of 6 bn VND. On the contrary, IT sector reflects some negative facts in Q1/2014. Its sales slight grow at only 2%, and the EBT declines to 14.4%. In point of fact, EBT of software development and IT service considerably decreased, -16% and -25% respectively. The net income of FPT group decreased from 14% in Q1/2013 to 12% in Q1/2014. As a result, despite sale growing, EBT only got 581.6 bn VND, equivalently 1% of last year and 22%

yearly plan.

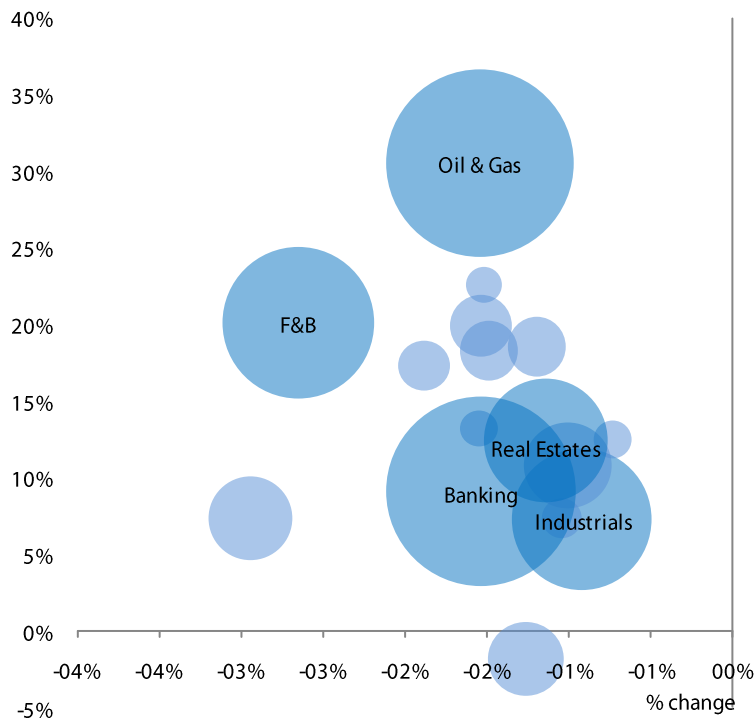
According to the analyst, the result of Q1/2014 met our expectation. We strongly believe that FPT can well-completed the annual strategy. However, the undesirable result of IT sector, especially software development, may leads to an imperfect earning. Tomorrow (07/05) is the ex-dividend date, the diluted EPS is calculated at 5,400 VND/share, and P/E is 9.4x, quite cheap compared to average P/E of bluechips now.

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



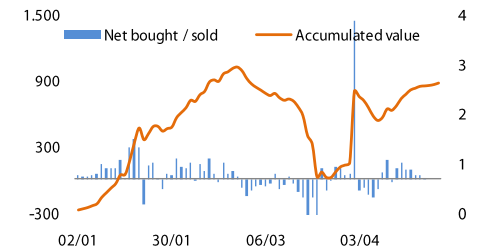
**Industry Movement**

**ROE**

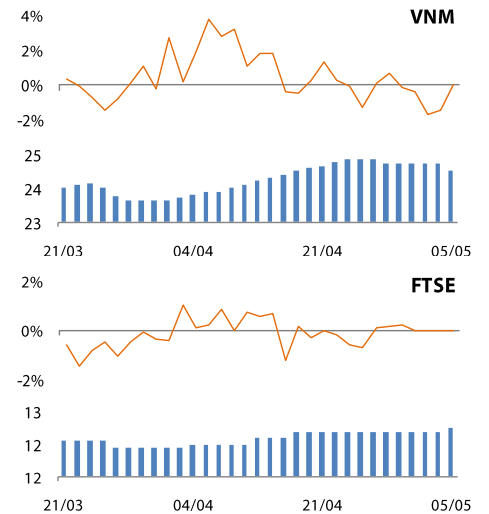


Industry	%change
Technologies	-1.49%
Industrials	-0.92%
Constructions	-1.27%
Oil & Gas	-1.55%
Distribution	-1.55%
F&B	-2.65%
Household Goods	-0.73%
Cars & Parts	-1.52%
Chemicals	-1.54%
Resources	-1.01%
Insurances	-1.05%
Real Estates	-1.14%
Financials	-2.94%
Banking	-1.54%
Utilities	-1.20%
Healthcare	-1.89%

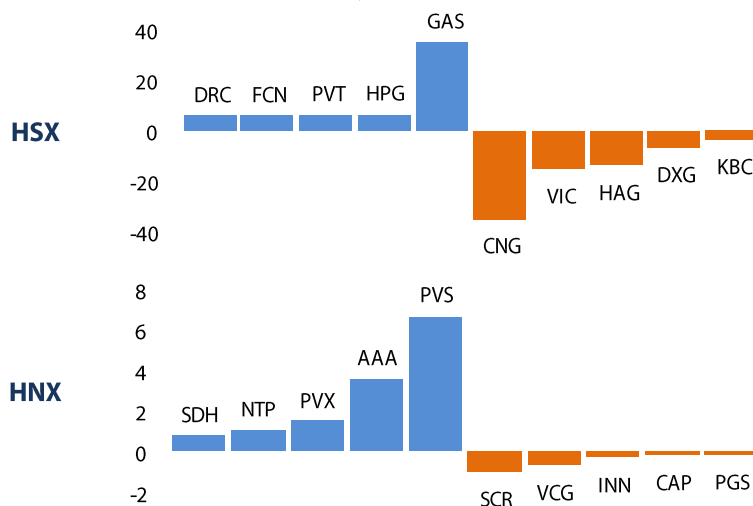
**Foreign Investors Trading**



**ETF**



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



**Top Active**

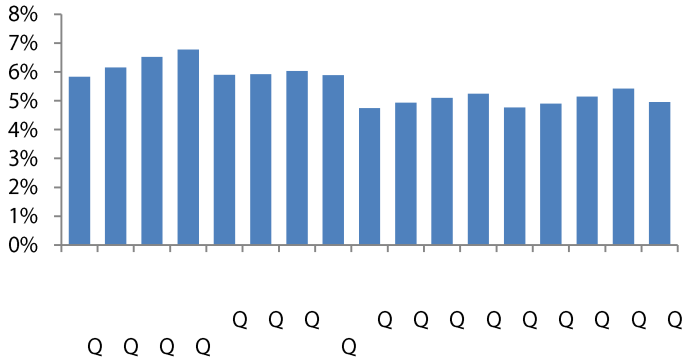
Ticker	Price	Volume	% P change
ITA	8.00	6.86	-1.23%
FLC	9.70	5.87	-4.90%
SSI	24.50	5.53	-2.00%
HAG	24.60	4.32	-1.99%
HQC	6.50	3.67	-1.52%

Ticker	Price	Volume	% P change
SHB	8.80	17.90	-1.12%
PVX	4.90	11.28	4.26%
SCR	8.30	7.35	0.00%
KLS	10.60	6.09	-2.75%
SHS	8.60	4.03	-4.44%

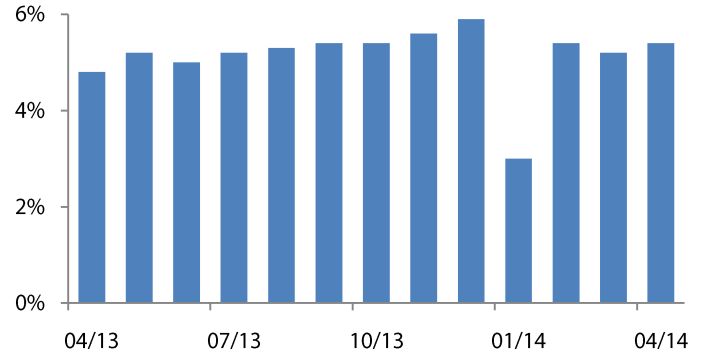
**MACRO WATCH**

**Graph 1: GDP Growth**



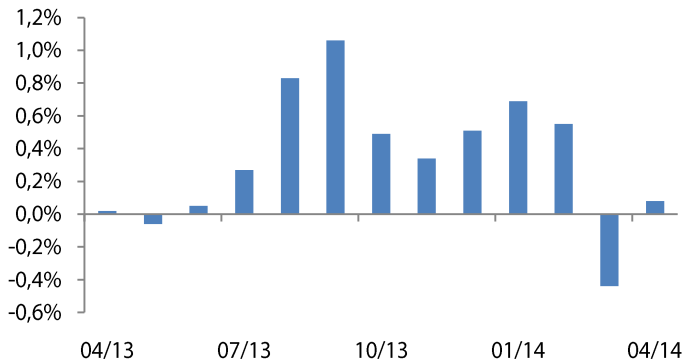
Sources: GSO, Rongviet Securities database  
(\* ) Comparision price in 1994

**Graph 2: IIP**



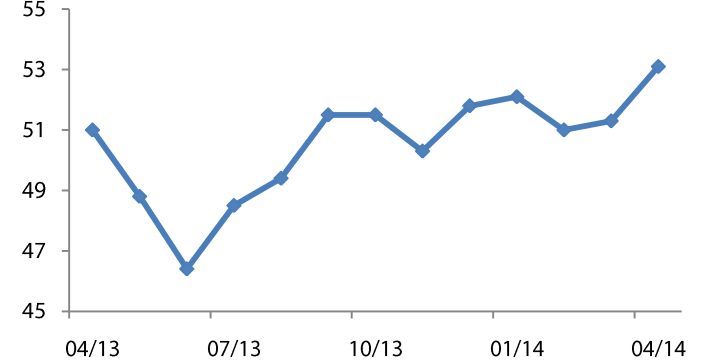
Sources: GSO, Rongviet Securities database

**Graph 3: Monthly CPI**



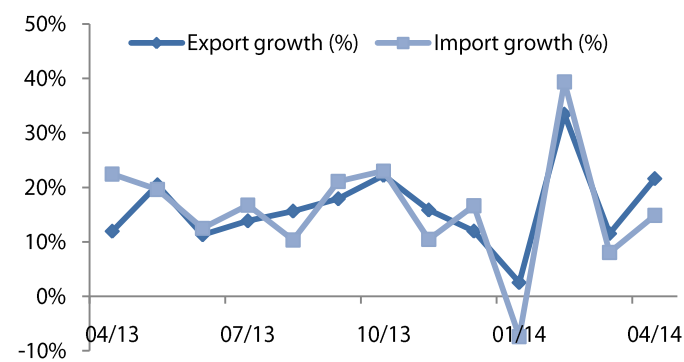
Sources: GSO, Rongviet Securities database

**Graph 4: HSBC - PMI**



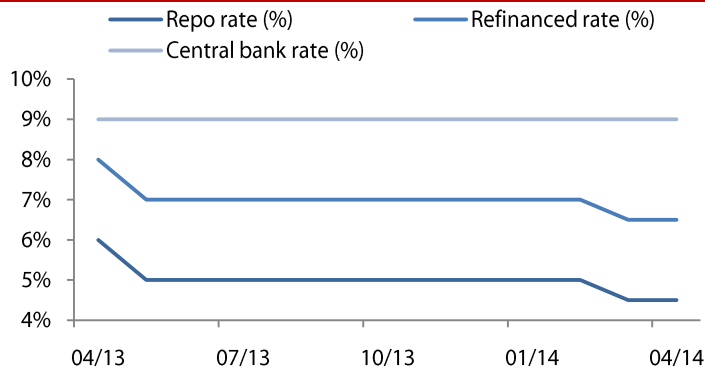
Sources: GSO, Rongviet Securities database

**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 <sup>th</sup> , 2014	Accumulated – Long-term	19,200
HPG-Sustainable Development	April 24 <sup>th</sup> , 2014	Accumulated – Intermediate-term	55,100
CSM-Radial and long-term growth	April 4 <sup>th</sup> , 2014	Neutral – Intermediate-term	46,700
PPC-Stay firm	April 4 <sup>th</sup> , 2014	Neutral – Long-term	25,200
BMP- Stable in hardship	April 4 <sup>th</sup> , 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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