

SEPTEMBER

22

MONDAY

*“Bull-trap in the early of week, CPI is set to rise again”*

ADVISORY DIARY

- **Updates on the latest BOD’s Resolution of HAG**
- **Bull-trap in the early of week, CPI is set to rise again.**

#### **Updates on the latest BOD’s Resolution of HAG**

The latest BOD’s Resolution of HAG showed that the Company had approved private placement of shares of its subsidiary Hoang Anh Construction And Development House JSC (HAGL Land). Accordingly, the Company plans to issue a maximum of 30% of the charter capital after the issuance, equivalent to VND3,217 billion. Based on the current charter capital of HAGL Land (VND2,000 billion, of which HAG holds 98%), price of additional issued shares is projected to be at VND37,500/share. The Company said that it would complete this plan during the remaining time of this year, according to our analysts, cash flow from this issuance might be used to satisfy investment needs of its current projects, especially Phase 2 of HAGL Myanmar project (total investment of approximately \$200 million).

The above Resolution also had newly updates on the HAG business plan, as below:

(1) Palm oil: adjusting a plan of cultivating palm oil from 10,700ha to 13,000ha in 2015. HAG has built new pressed oil plant in Cambodia in order to prepare for a harvest in February 2015. In spite of a decrease of palm oil price (~15% compared to the beginning of the year), our analysts supposed that the domestic demand for palm oil is still high as well as export market is relatively potential.

(2) Sugar cane: HAG is currently cultivating and exploiting in the area of 8,000 ha, a decrease of 2,000 ha according to the yearly plan. The Company said that it will harvest on November 2014 and we expected the average capacity is likely to reach 112.5 ton per ha (+5% compared to 2013 and lower than the expected level of 120 ton per ha due to the Resolution). Sugar production is estimated to reach at 95,000 ton, a 44%-increase compared to the previous year thanks to the increase of capacity and area, nevertheless, the downtrend of sugar cane’ price is quite disadvantage for HAG.

(3) Rubber: maintaining the size of rubber and decreasing the tapping speed in term of low rubber’ price. Up to the beginning of September, natural rubber price had dropped significantly by 25% as compared to the early of the year.

(4) Corn: HAG harvested one corn crop in 2014 in the area of 5,000 ha (cultivating in the end of 2013). They said that it is unlikely to increase the area of corn in order to focus on raising cows’ project, however, corn harvests will be increased from 1 crop to 2 crops per year. According to Bloomberg, the corn price delivered in December has decreased to the lowest price since June 2010 due to significant increase of supply.

We can clearly see that HAG is pulling its business plans due to unfavorable declining trend of agricultural commodity prices. Besides, the capital issuance of HAGL Land, if successful, will help improve the Company's cash flow. According to our analysts, HAG is expected to exceed 10% of its 2014's revenue plan, however, uncertainty in achieving the profit target is a detrimental factor for price changes of HAG shares in the short term.

**Bull-trap in the early of week, CPI is set to rise again.**

After a week of decreasing, market showed a strong rebound in the very first minutes of trading day. However, liquidity did not support for indices' point then the instability of market sentiment was dominated. Thus, the strong selling wave in the final minutes is probably not a good thing for investors who bought at the opening. According to our observation, there were many large put-through deals today, i.e. SSI (18.2 million shares, ~VND544 bn), SAM (nearly 20 million shares, ~VND213 bn) and PVD (~2 million shares, ~VND200 bn). And we suppose that the put-through deals affected those stock' market price in one way or another. Such as, SAM' transaction can be related to the disposal of VNPT, this share price maintained at the ceiling for a long time and there was still a large redundant demand at the end of the day.

Other strong gainers today were supported by specific information. In which, TTP (Tan Tien Plastic Packaging JSC) rose sharply thanks to the news that Company will purchase 3 million treasury shares in order to prepare for delisting. Acquired price is expected to be below VND30,000/share. Our analyst suppose that although the price of VND30,000/share is higher than the close price about 35%, but is still lower than Company' book value (~VND35,000/share). It will be a disadvantage for shareholders who are reluctant to sell TTP based on the reason that it could be not convenient to trade if TTP is delisted. Another example is HVG, the latest news about the plan to mobilize VND1,140 bn (including VND700 bn of non-convertible bonds and VND440 bn through issuing shares for existing shareholders) warmed up this share' price after recent correction.

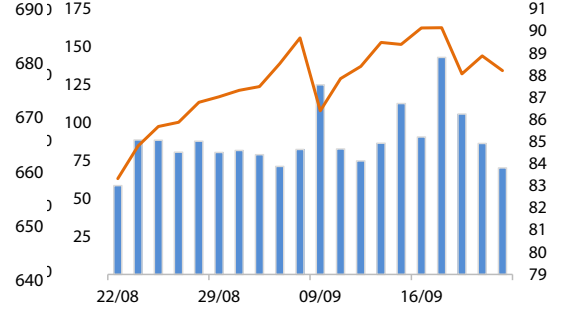
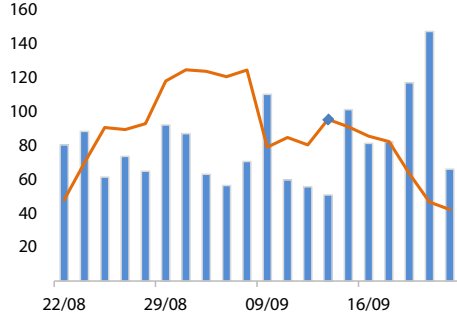
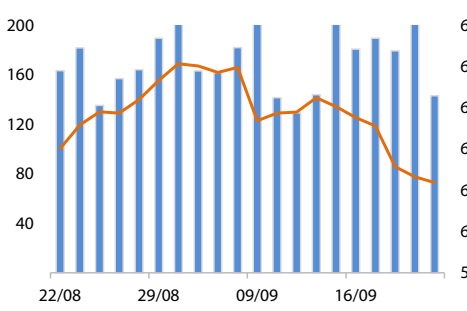
Investors also received CPI news in the first trading day of this week, to be specific, CPI of Ha Noi and HCMC recorded a gain of 0.51% and 1.13% over last month, respectively. The reason is mainly due to the impact of adjusting school fees, made education increased by 8.55% at Ha Noi and 19.02% at HCMC. On the other hand, because of the reduction of petrol' price, transportation recorded a decrease about 2% in September. Based on above movement, this month CPI could be higher than the previous month. However, yoy inflation is expected to be low, at around 4%, according to our estimates.

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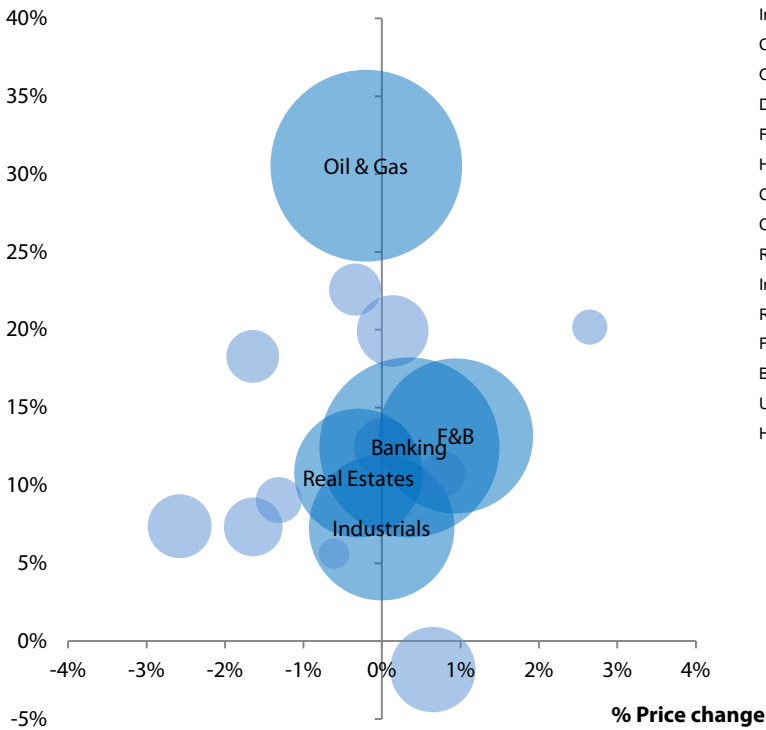
[my.tth@vdsc.com.vn](mailto:my.tth@vdsc.com.vn)

**VNINDEX -0.22% 611.93**    **VN30 -0.21% 653.19**    **HNXINDEX -0.75% 88.22**

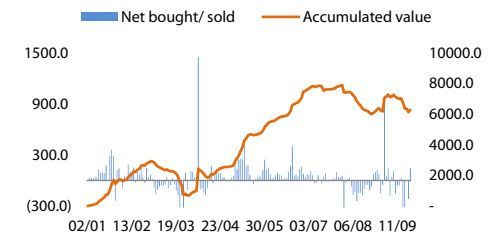


**Industry Movement**

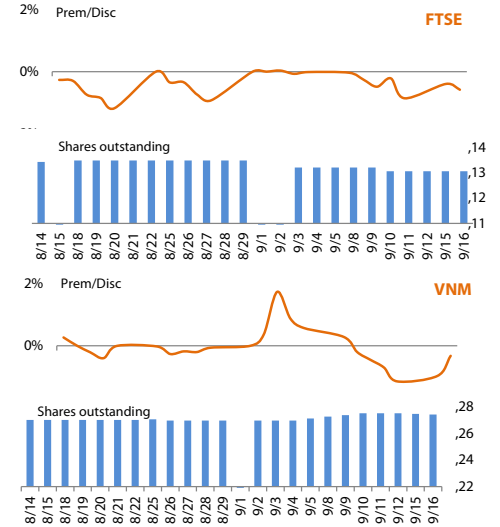
**Industry ROE**



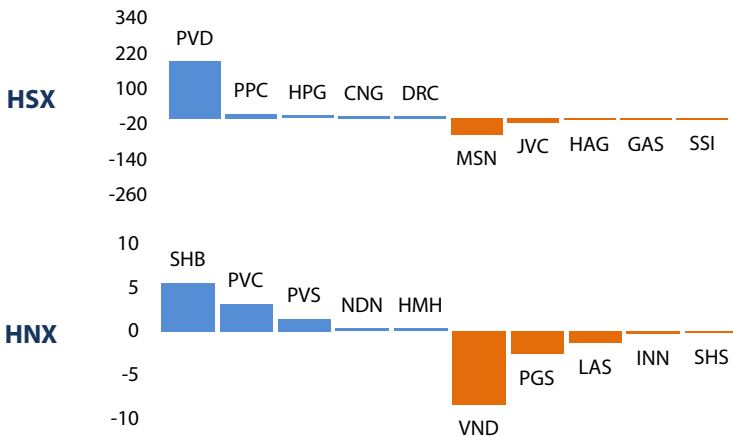
**Foreign Investors Trading**



**ETF**



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

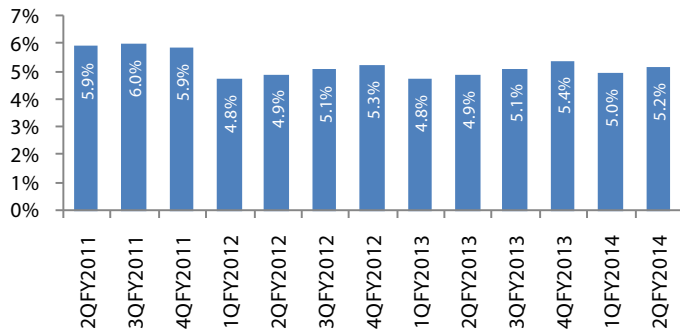


**Top Active**

Ticker	Price	Volume	% price change
FLC	11.6	14.25	-3.3%
SSI	29.1	4.42	-2.4%
ITA	8.4	4.20	0.0%
SAM	12.1	3.53	6.1%
KBC	13.5	2.98	0.0%
PVX	6.10	10.26	-3.2%
KLF	12.40	7.98	-4.6%
KLS	12.50	6.06	-2.3%
SHS	11.30	3.56	-4.2%
PVS	42.20	3.29	0.5%

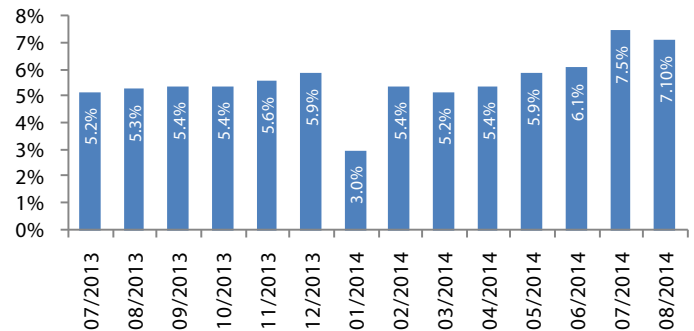
**MACRO WATCH**

**Graph 1: GDP Growth**



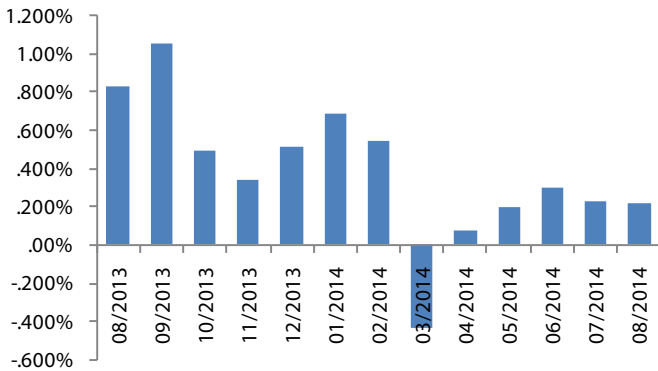
Sources: GSO. Rongviet Securities database  
(\* ) Comparision price in 1994

**Graph 2: IIP**



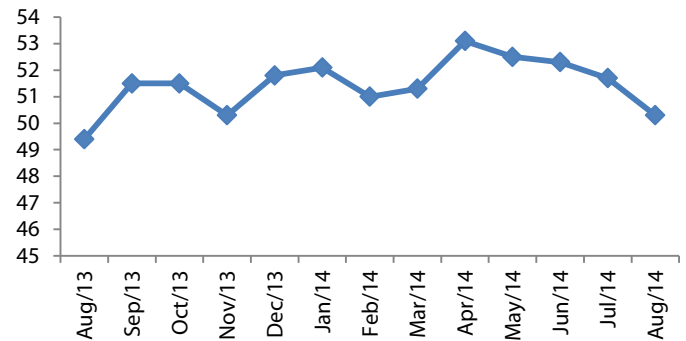
Sources: GSO. Rongviet Securities database

**Graph 3: Monthly CPI**



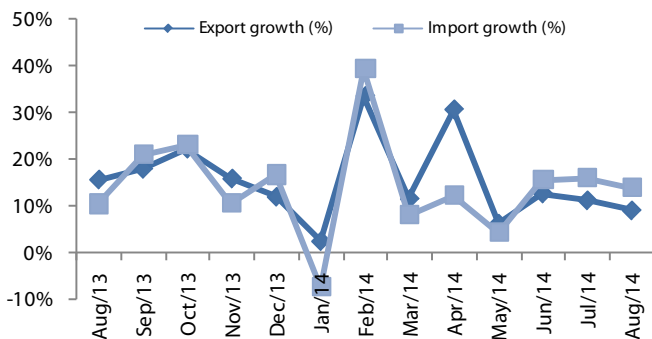
Sources: GSO. Rongviet Securities database

**Graph 4: HSBC - PMI**



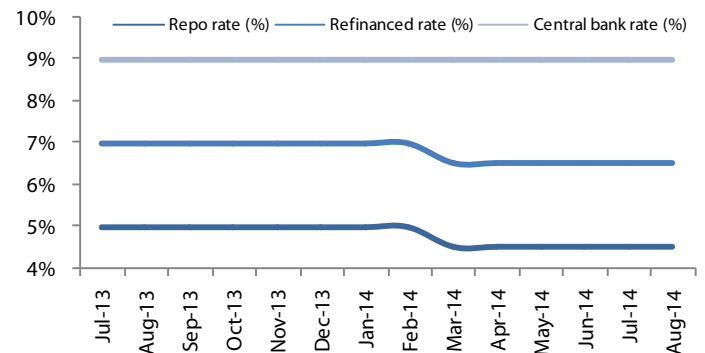
Sources: GSO. Rongviet Securities database

**Graph 5: Trade Growth**



Sources: GSO. Rongviet Securities database

**Graph 6: Interest**



Sources: SBV. Rongviet Securities database

## RONG VIET NEWS

COMPANY REPORTS	Issued Date	Recommend	Target Price
PVD – Busy O&G exploitation brought warmth	Sep 17 <sup>th</sup> , 2014	Accumulate – Long term	122,00
REE - Solid ground s for sustainable growth	Sept 9 <sup>th</sup> , 2014	Neutral - Long term	29,700
HSG - The hard part has gradually done!	Aug 21 <sup>st</sup> , 2014	Accumulate – Intermediate term	48,100
HPG - On the way to dominate nationwide' market shares	Aug 12 <sup>th</sup> , 2014	Accumulated – Intermediate-term	66,400
NBB - A new chapter with co-investment	Jul 31 <sup>st</sup> , 2014	Buy – Intermediate term	27,400

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	16/09/2014	0-0.75%	0-2.5%	11,645	11,476	1.47%
VF1	18/09/2014	0.20% - 1.00%	0.50%-1.50%	23.917	23.531	1.64%
VF4	17/09/2014	0.20% - 1.00%	0.00%-1.50%	10.868	10.733	1.26%
VFA	18/09/2014	0.20% - 1.00%	0.00%-1.50%	7.709	7.777	-0.88%
VFB	18/09/2014	0.30% - 0.60%	0.00%-1.00%	11.532	11.451	0.72%
ENF	12/09/2014	0.00% - 3.00%		10.705	10.740	-0.33%

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