

NOVEMBER

03

MONDAY

“Excited market in the first trading session of November”

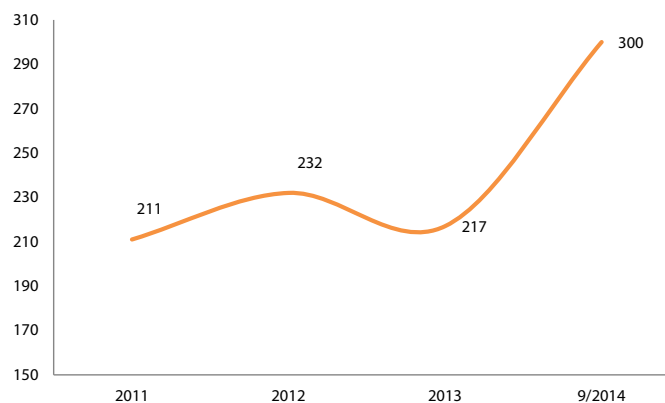
ADVISORY DIARY

- **MWG announced upbeat Q3 results and long-term expansion plan**
- **October’s PMI shows the enlargement of manufacture**
- **Excited market in the first trading session of November**

MWG announced upbeat Q3 results and long-term expansion plan

Mobile World JSC (MWG – HSX) just announced Q3 business results, in which revenue and NPAT both added substantially some a year earlier last quarter at 62.5% and 11.5% respectively. In the nine months ended September, MWG fulfilled 83.86% of its 2014 revenue guidance while exceeding its earnings target by 12.18%.

Exhibit 01: MWG’s mobile shop number since 2011



Source: MWG, Rong Viet Research

Looking towards the later months of 2014, MWG’s management said they do not expect Q4 revenue to exceed that of Q3 by a significant margin as the last quarter is generally not the peak season of sales in both the mobile device and electronics divisions and that Q1 often sees high quarter-over-quarter sales growth, about 10-20%.

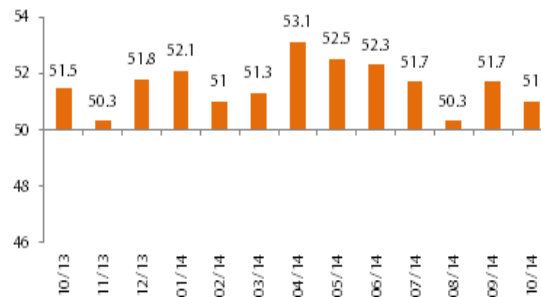
Regarding the plan for intermediate and long-term expansion, MWG intends to set up 4 more mobile shops by the Lunar New Year in the plan to have 400-500 shops operating by the end of 2015. From 2016, the Company will focus more on the electronics division, effectively downgrading the mobile arm to auxiliary business segment. Electronics devices now account for 15-17% of MWG’s sale revenue but the Company looks forward to 20-30% of revenue growth from this segment next year.

MWG has been able to maintain high revenue and earnings growth since its inception, thanks to a business model that can generate economy of scale and the high demand for mobile devices in Vietnam. However, as the market approaches saturation, continued expansion of the mobile device segment may cause MWG to lose its economy-of-scale advantage. Meanwhile, though gearing up electronics sales may save growth, such an act will cost the Company its current gross profit margin as the segment is far less lucrative than mobile devices. Therefore, how to balance growth and profitability is a problem to which MWG must soon find the answer.

October’s PMI shows the enlargement of manufacture

According to HSBC’s latest report, the Purchasing Managers’ Indexes (PMI) of Vietnam reached 51 points in October, slightly decreased in comparison with the level of 51.7 points in September. Therefore, this was the fourteenth consecutive months the PMI stayed over 50 points. Through October’s PMI, we can see that the manufacturing process was still extended even though the rate was not as positive as last month. This was also in compliance with the slightly increase of manufacturing index in October which was announced last week. One noticeable thing was that the index components of PMI like export orders and occupation index both increased over 53 points and the occupation index had the greatest rate since 1M2014.

Exhibit 02: Monthly PMI

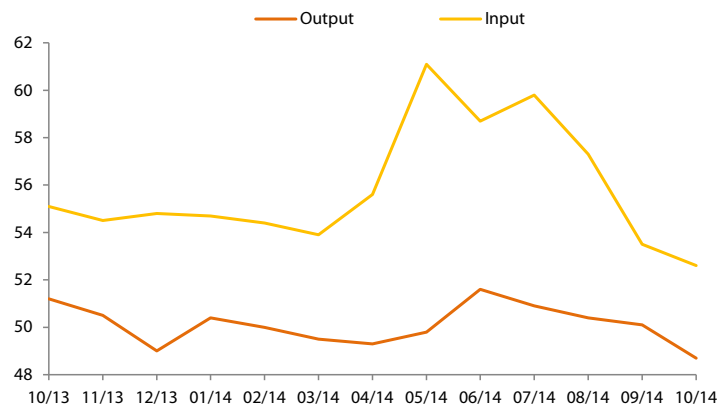


Source: HSBC, RongViet Research

HSBC’s report also indicated that the price of goods (both input and output) started to decrease since June, corresponding to the reduction in prices of oil and gas. During October, price of oil output reduced at the higher rate than oil input and stayed at the rate of under 50 points. The time of delivery was greatly shorten; buying activities and quantity of goods stayed nearly the same to the rate of last month. However, the new orders were still higher than the inventory leading to the expectation that manufacturing would be prolonged next month.

Basing on seasonal factors, we believe that the number of total orders in November would be less than October. Nevertheless, we still expect the domestic demand would be increased back in the last month of the year because of the preparation for Tet holiday.

Exhibit 03: Monthly input and output prices



Source: HSBC, RongViet Research

Excited market in the first trading session of November

In the first trading session of November, both indices extended gains with an increase of 2.31 points on VNIndex and 0.84 points on HNIIndex, respectively; meanwhile, trading volumes rose moderately by 9% in comparison with the average volumes in previous week. Furthermore, put-through volumes also experienced a soar in volume with a main contribution of 4.7 million stocks of HPG.

Some leading stocks such as VIC, VCB, HPG on HSX and PVS, PLC, VIX, VCG on HNX played a key role in supporting both indices. The positive impact somehow was spread towards small and mid-caps. Foreign activity, moreover, still shows optimism as net buying of 97 billion on both bourses. To accumulate, it was the seventh consecutive days in net-bought activity of foreigners although a decrease in values was 37%.

In general, Vietnam stock market rebound amid eventful trading in global stock market that had provided by the information about loosening monetary policy of the Bank of Japan (BOJ). Noticeably, the new quantitative easing of Yen80,000 billion was as much higher than the previous QE (Yen 50,000).

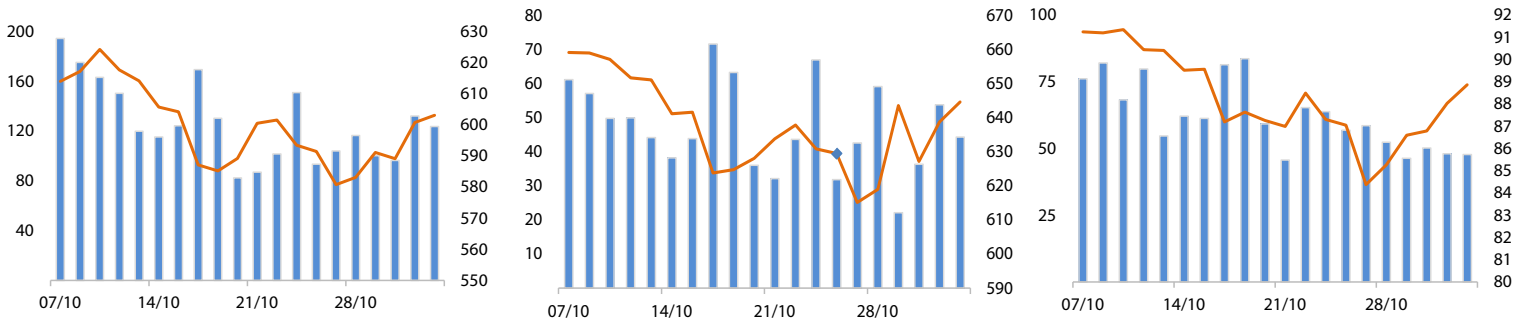
Since late October, net-bought activity in foreigners has turned into incipient positive support for domestic investors. Therefore, the decline in value of foreign buying along with less improvement in today's liquidity were not a positive signal showing that the majority of investors still hold conservative attitudes toward the market. However, in the medium and long term, we believe that it would be suitable time for investors to consider accumulating the stocks with good fundamentals at a reasonable price.

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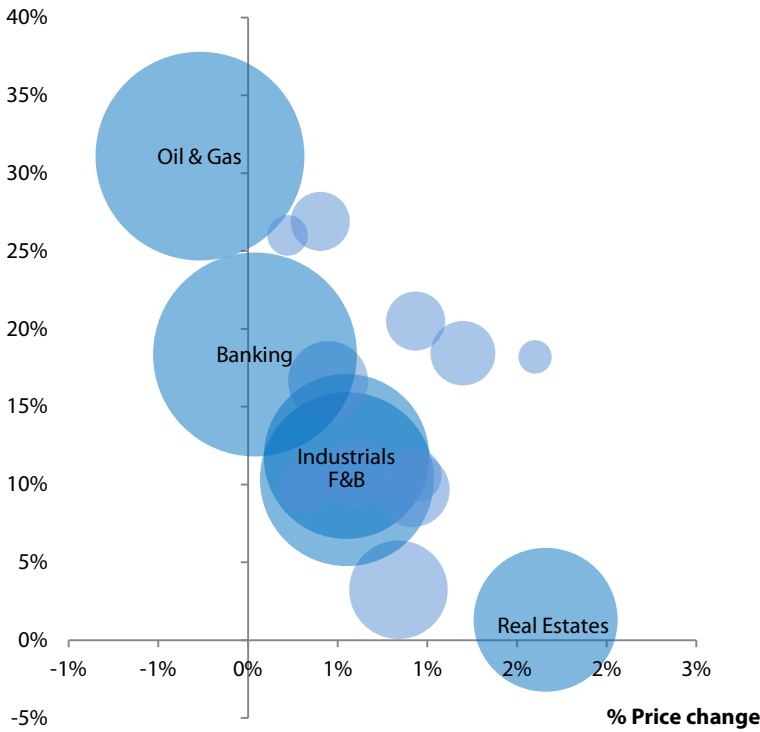
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VNINDEX 0.38% **603.15** **VN30** 0.92% **644.64** **HNXINDEX** 0.95% **88.87**



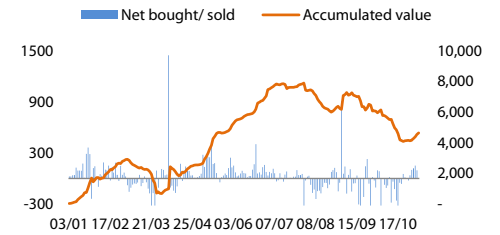
Industry Movement

Industry ROE

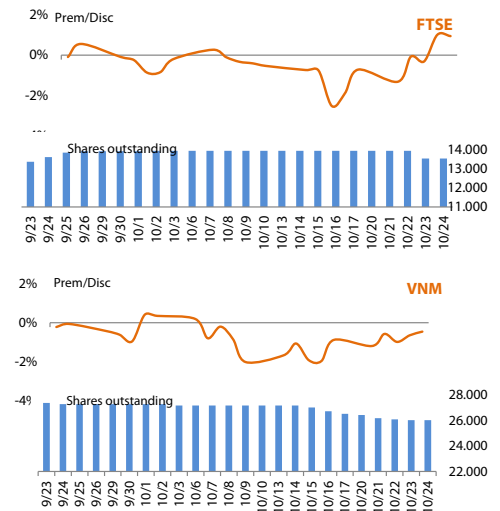


| Industry | % change |
|-----------------|----------|
| Technologies | 0.9% |
| Industrials | 0.5% |
| Constructions | 0.8% |
| Oil & Gas | -0.3% |
| Distribution | 1.6% |
| F&B | 0.6% |
| Household Goods | 0.3% |
| Cars & Parts | 0.2% |
| Chemicals | 1.2% |
| Resources | 0.4% |
| Insurances | 0.4% |
| Real Estates | 1.7% |
| Financials | 0.9% |
| Banking | 0.0% |
| Utilities | 0.6% |
| Healthcare | 0.9% |

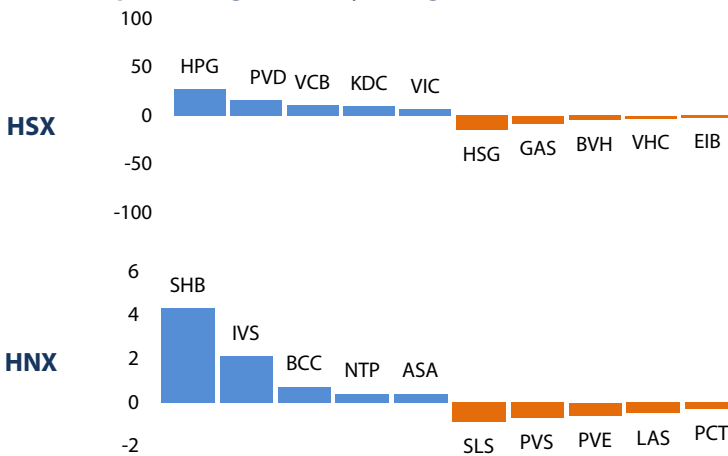
Foreign Investors Trading



ETF



Top net bought/sold by foreigners (VND bn)



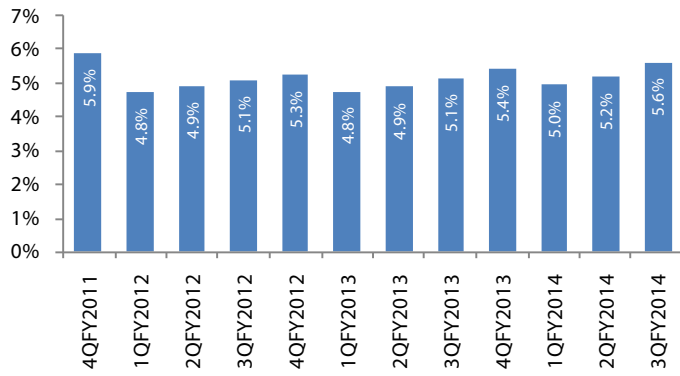
Top Active

| Ticker | Price | Volume | % price change |
|--------|-------|--------|----------------|
| FLC | 11.2 | 8.34 | 0.0% |
| VHG | 15.1 | 5.31 | 6.3% |
| HHS | 17.9 | 5.03 | 5.3% |
| KBC | 16.9 | 4.61 | 0.0% |
| OGC | 9.7 | 4.54 | -1.0% |

| Ticker | Price | Volume | % price change |
|--------|-------|--------|----------------|
| KLF | 11.40 | 4.68 | 1.8% |
| PVX | 6.10 | 3.74 | 0.0% |
| SCR | 10.00 | 3.28 | 0.0% |
| PVC | 33.10 | 2.89 | 8.5% |
| SHB | 8.70 | 1.96 | 0.0% |

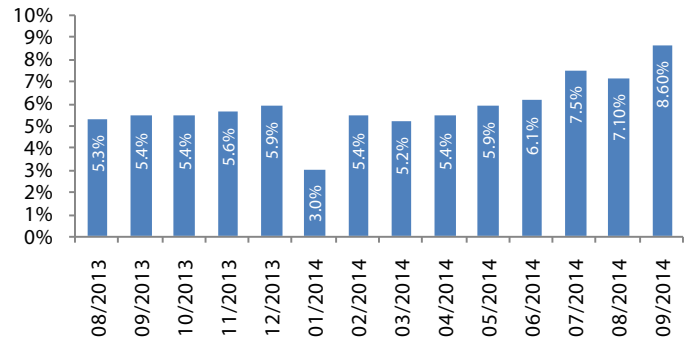
MACRO WATCH

Graph 1: GDP Growth



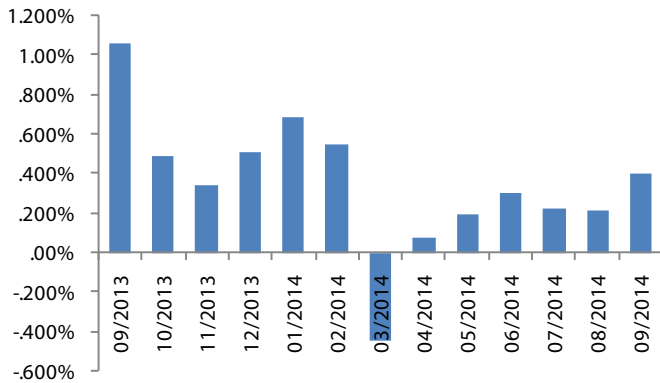
Sources: GSO. Rongviet Securities database
(* Comparison price in 1994)

Graph 2: IIP



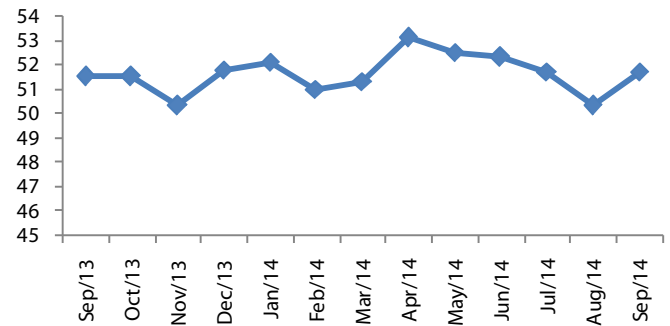
Sources: GSO. Rongviet Securities database

Graph 3: Monthly CPI



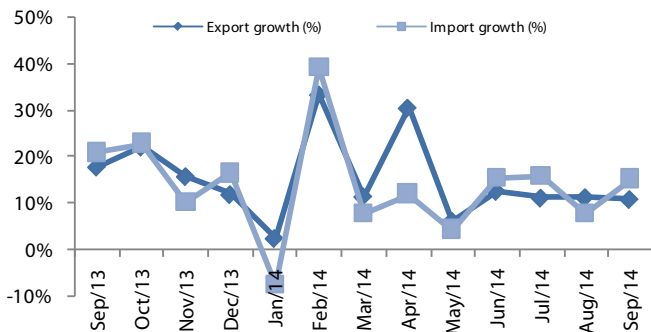
Sources: GSO. Rongviet Securities database

Graph 4: HSBC - PMI



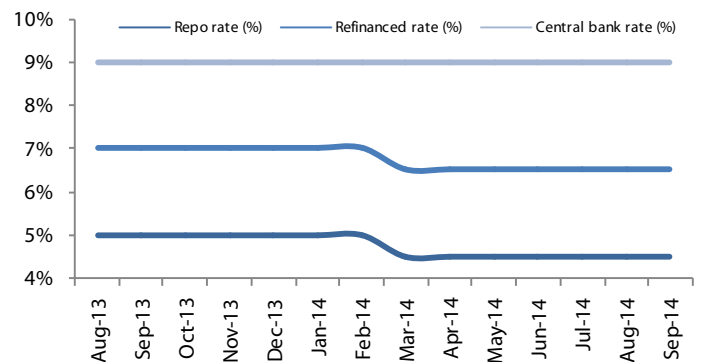
Sources: GSO. Rongviet Securities database

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 |
|--|-----------------------------|-------------------------|--------------|
| SBA - Growth season ahead | Oct 24 th , 2014 | Buy – Intermediate term | 14,500 |
| APC - Incremental demands for irradiation industry | Oct 23 rd , 2014 | Buy – Intermediate term | 22,000 |
| TCM - Moving up the value chain | Oct 14 th , 2014 | Accumulate – Long term | 42,500 |
| 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 |

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 | 21/10/2014 | 0-0.75% | 0-2.5% | 11,829 | 11,859 | -0.25% |
| VF1 | 24/10/2014 | 0.20% - 1.00% | 0.50%-1.50% | 22,611 | 22,908 | -1.29% |
| VF4 | 22/10/2014 | 0.20% - 1.00% | 0.00%-1.50% | 10,274 | 10,475 | -1.91% |
| VFA | 24/10/2014 | 0.20% - 1.00% | 0.00%-1.50% | 7,560 | 7,509 | 0.68% |
| VFB | 24/10/2014 | 0.30% - 0.60% | 0.00%-1.00% | 11,932 | 11,943 | -0.10% |
| ENF | 17/10/2014 | 0.00% - 3.00% | | 10,641 | 11,149 | -4.56% |

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