

NOVEMBER

12

WEDNESDAY

"Be safe!"

ADVISORY DIARY

- **Cadivi – Considered bright spots**
- **KSA – Extraordinary general meeting 2014**
- **Be safe!**

Cadivi – Considered bright spots

After joined Cadivi’s analyst meeting this morning, once again, our analyst believe that Cadivi will be a highlight of SOEs’ privatization process in 2014. About Cadivi’s core business, we interested most in the ability of risk management related to the volatility of imported copper and aluminum prices. Those metals accounted for over 90% of cost of goods sold, thus the fluctuation of those prices has a significant impact on cost of goods sold and gross margin. To hedge this risk, Company reveals that with about 1,400 tons of imported metals per month, Cadivi allocates this volume to three price levels: last month average price, spot price and one-month forward price. We do believe this strategy could limit the price fluctuations of world metals.

Besides, because the scattered distribution of existing plants burdened on management and transportation cost, Company is going to relocate those plants to plant located in Tan Phu Trung Industrial Park. We suppose that the reallocation not only helps Company cut costs, but also brings future incomes by shifting the function of two land lots in plant located in HCMC to build residential and commercial center, including: (1) 5,000 m2 façade at Kinh Duong Vuong – Hau Giang street; (2) 6,000 m2 façade at Au Co street.

KSA – Extraordinary general meeting 2014

Today, RongViet Research just participated an extraordinary general meeting of Binh Thuan Hamico Mineral Joint Stock Company (KSA – HSX). The contents of a meeting were consisted of strategic restructure, additional issuance and revising guidance in 2014 and 2015. In upcoming time, KSA is going to issue private placement of 30 million shares with a par value of VND 10,000 per share. At that time, KSA’s charter capital is more likely to go up from VND 373 billion to VND 673 billion. The capital related to issuance will use for restructuring plan and adding working capital in order to expand its manufacturing. More specific, KSA is going to cooperate and invest in three companies below:

Table: Companies in co-operation

No.	Companies	Descriptions	Amount (VND)
1	Dat An Import-Export JSC	Exploiting minerals at Doi Ca gate, Bac Giang Province Total exploitation area: 77 ha Quantity: 387,630 ton	100 billion
2	Dat Viet Construction & Investment cooperation JSC	Exploiting granite mine at Co and Diem Commune, Nghe An province Total area: 25.15 ha Quantity: + Granite tile: 2.850.400 m3 + Granite for making calcium carbonate powder: 7,220,233 ton	150 billion
3	Hoa Binh Minerals Ltd Co.,	Rock metal ore processing and refinery plant , Hoa Binh Capacity: 45,000 tons iron ore/year Total exploitation area: 18,000 m2	50 billion

Source: KSA

With above projects, Company will transfer from trading to directly managing and exploiting the output of products. In addition, KSA also intends to raise capital at its subsidiary (Binh Thuan Mining Industrial Company Limited) from VND174 bn to VND 220 bn. To be specific, the incremental capital (~VND46 bn) will be come from the contributed capital at KSA Green Power Company Limited and other assets.

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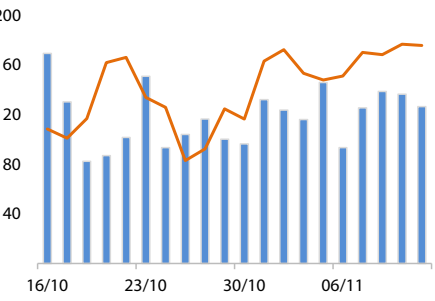
As we known, growth potential from above projects has been shown in 1H2014. Particularly, revenue in 1H2014 reached VND58.3 bn, up 166.8% over the same period last year due to the consumption of a portion of above three projects' products. However, PAT increased about 36% to VND9.94 bn because the costs from wood pellets' plant. Since Q3/2014, a part of wood pellets' project has been put into operation and is expected to contribute to Company's result in 2014. Realizing the effectiveness of those projects, Company revised the yearly plan for both 2014 and 2015 fiscal year. Accordingly, in 2014, revenue's target will be increased from VND97 bn to VND180 bn, up 85%; while PAT will be increased from VND21.5 bn to VND30 bn, up 39%. With more positive point of view, in 2015, KSA set revenue and PAT's goal at VND1,000 bn and VND100 bn, respectively, equivalent to 5.5 times and 3.3 times that of 2014 revised guidance. With the precedent for not completing business' plan, we think there will be big challenges for Company, both management and operation perspectives in order to achieve this goal.

Be safe!

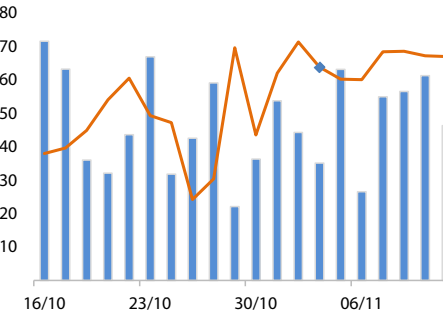
One time again, VNIndex closed in red and fluctuated around under 605 points although green tickers dominated red tickers. In today session, trading volume lost 17% and the foreigners still net bought of about VND20 billion. Movements of today market were quite similar to this Monday when the VN-Index was "distorted" by GAS and MSN. Particularly, GAS and MSN contributed 1.33 points to the decline of the VNIndex, while the VNIndex fell only 0.22 points. Thereby, according to our estimate, today was still a market rally and remained in the safety zone for the stability of the psychology of investors.

In contrast, HNIIndex closed in green with many positive elements. In terms of cash flows, liquidity continued to improve. Foreign investors remained net buy in both value and volume. Therefore, we believe that HNXIndex might be a better choice than VNIndex.

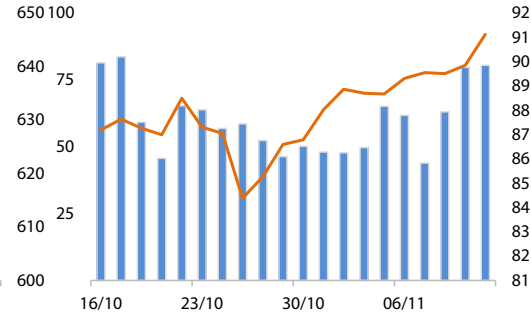
VNINDEX -0.04% 604.01



VN30 -0.02% 641.89

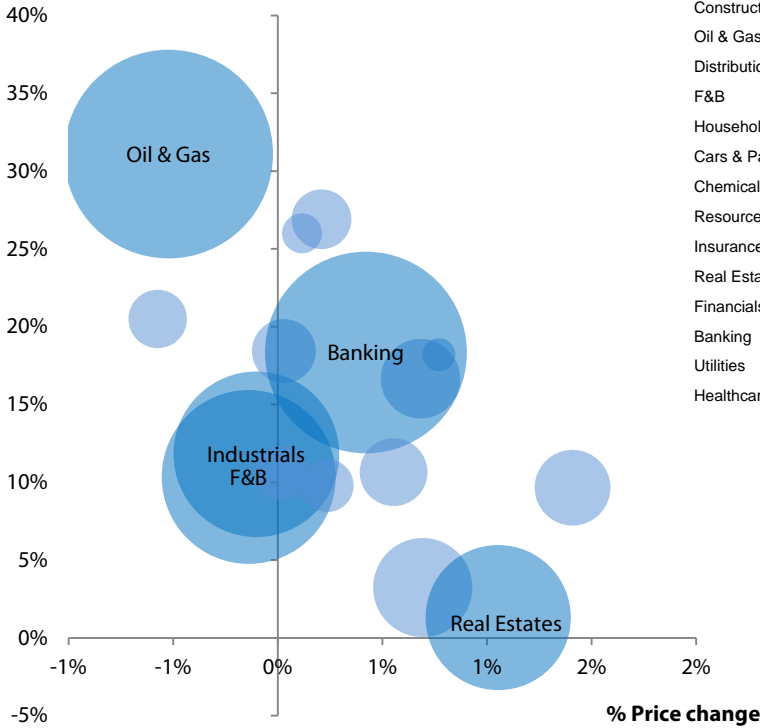


HNXINDEX 1.41% 91.13



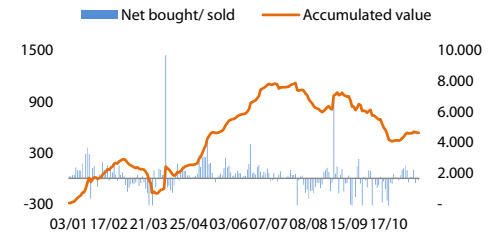
Industry Movement

Industry ROE

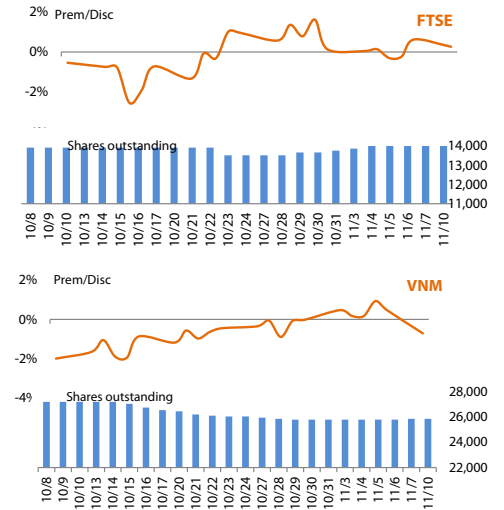


Industry	% change
Technologies	-0.6%
Industrials	-0.1%
Constructions	0.7%
Oil & Gas	-0.5%
Distribution	0.8%
F&B	-0.1%
Household Goods	0.2%
Cars & Parts	0.1%
Chemicals	0.0%
Resources	0.2%
Insurances	0.7%
Real Estates	1.1%
Financials	1.4%
Banking	0.4%
Utilities	0.6%
Healthcare	0.0%

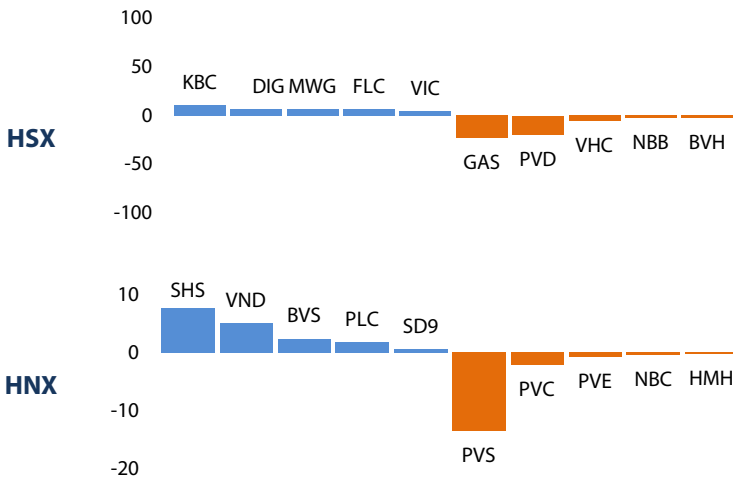
Foreign Investors Trading



ETF



Top net bought/sold by foreigners (VND bn)



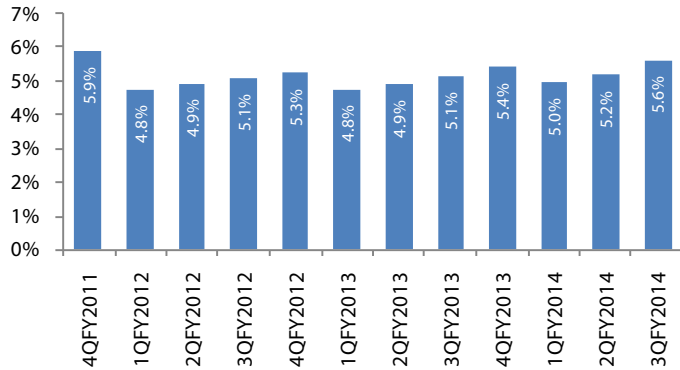
Top Active

Ticker	Price	Volume	% price change
FLC	12.4	17.43	1
ITA	9.2	11.08	4
VHG	16.6	5.43	5
OGC	9.0	5.01	C
KBC	18.0	4.54	1

Ticker	Price	Volume	% price change
KLF	14.30	20.44	10.0%
SCR	10.60	8.31	3.9%
PVC	36.00	4.00	6.8%
PVX	6.50	3.88	3.2%
SHS	12.50	3.58	2.5%

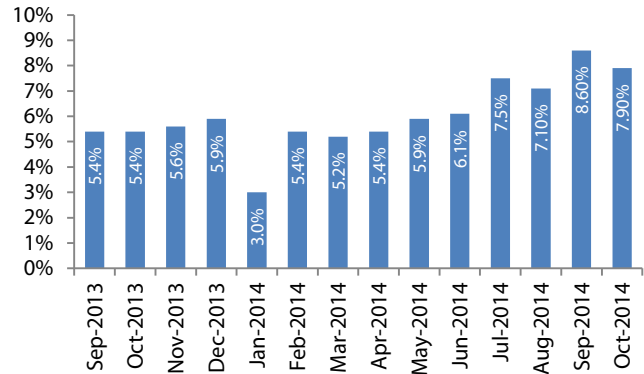
MACRO WATCH

Graph 1: GDP Growth



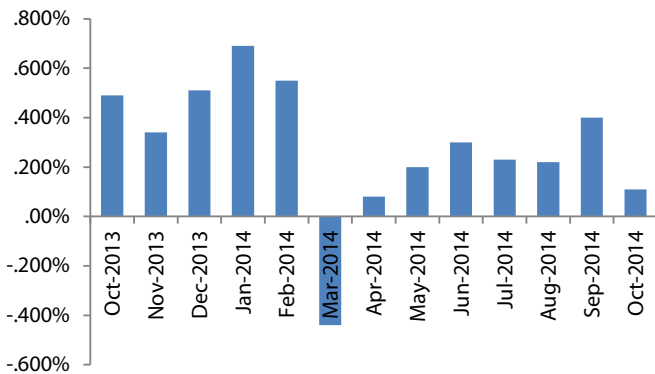
Sources: GSO. Rongviet Securities database
(* Comparison price in 1994)

Graph 2: IIP



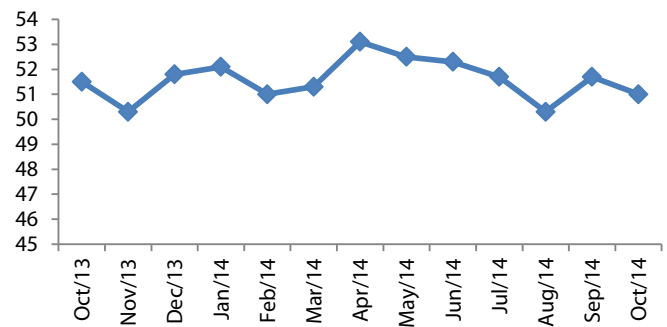
Sources: GSO. Rongviet Securities database

Graph 3: Monthly CPI



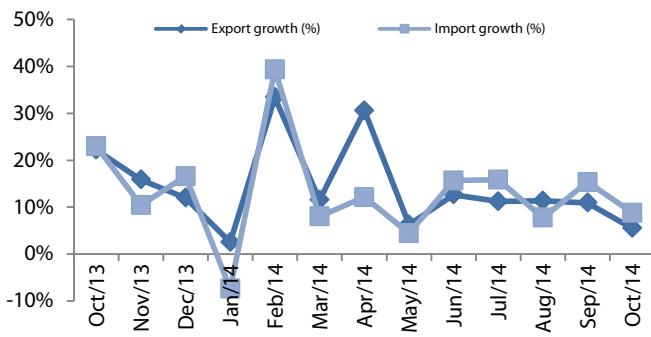
Sources: GSO. Rongviet Securities database

Graph 4: HSBC - PMI



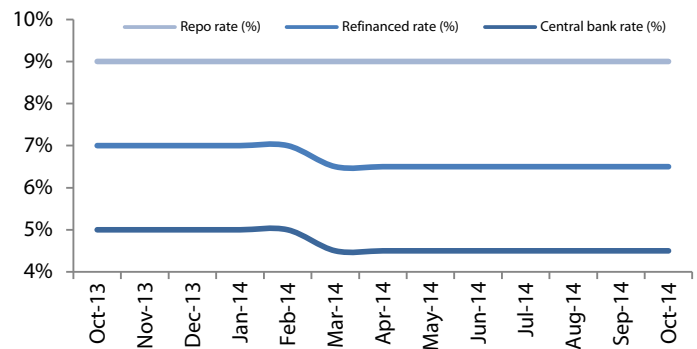
Sources: GSO. Rongviet Securities database

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
CNG - Potential growth from building materials industry's well-being	Nov 10 th , 2014	Accumulate – Long term	46,000
GMD - Positive developments from core businesses	Nov 7 th , 2014	Accumulate – Long term	44,400
BMP -Every cloud has a silver lining	Oct 30 th , 2014	Buy – Long term	87,700
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

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	04/11/2014	0-0.75%	0-2.5%	11,868	11,821	0.40%
VF1	10/11/2014	0.20% - 1.00%	0.50%-1.50%	22.946	22.801	0.64%
VF4	05/11/2014	0.20% - 1.00%	0.00%-1.50%	10.338	9.998	3.40%
VFA	07/11/2014	0.20% - 1.00%	0.00%-1.50%	7.570	7.527	0.57%
VFB	07/11/2014	0.30% - 0.60%	0.00%-1.00%	11.950	11.938	0.10%
ENF	31/10/2014	0.00% - 3.00%		10.504	10.535	-0.29%

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