

MAY

04

MONDAY

*May –
Challenge at the
beginning of
“fishing season”*

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ADVISORY DIARY

May – Challenge at the beginning of “fishing season”

Stock market started May of 2015 with plunging trading session (VNIndex lost 3.08% and HNIndex lost 3.38%). Many investors raise their concern with RongViet Research: “what is the reason of market decline?” From trading perspective, we could clearly observe the patience of the holders of the shares have been pushed to the limit. Accordingly, many midcap and smallcap stocks reached price floor. On the other side, whether investors who hold money were not willing to “bottom up” or there is not actual cash flow waiting for the market at the beginning of May?

Market movement could remind us about the classic quote “Sell in May and go away” or rather than what is going on in Vietnam stock market “Sell in May and run away”. Take a look through markets in the region, majority of indices also declined except Chinese stock market. When an event has been repeated, the trust in this quote has been reinforced and we believe that it could be considered to be one of the reasons for the decrease of today trading session.

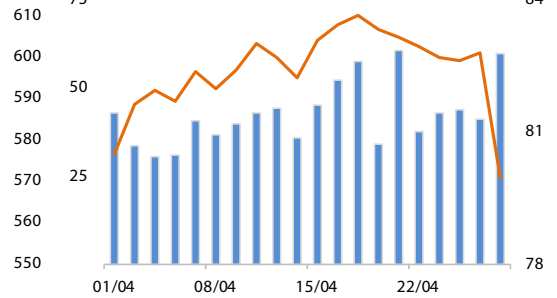
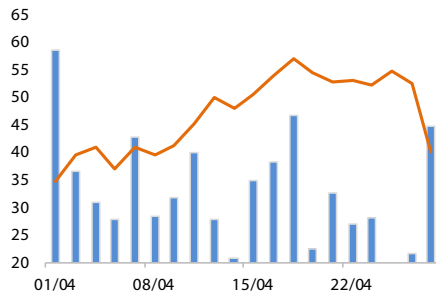
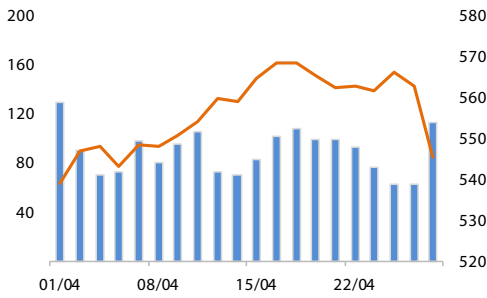
Both exchanges witnessed a sharp drop in 416 tickers (~61% of total tickers, while 1/3 closed in floor prices). This proves that market breath was so negative! Moreover, despite of high liquidity with VND 2,384 billion (+37% as compared to the average of previous month), it seems to confirm a strong sell force. However, foreign investors seem to act in the same way in the similar situation. In contrast with strong sell from domestic investors, foreign investors kept their net buy value with a worth of VND 237 billion. They focused on buying some stocks such as VIC (VND 63.5 billion), KBC (VND 27.2 billion), SSI (VND 20.2 billion) and some banking stocks such as VCB, CTG, STB, SHB,...

If the reasons in terms of cash flow and psychology are not enough to be convincible, “History repeat itself” news also weighed on investors sentiment. The information related to the second Chinese deep-water rig to the Eastern Sea which was leaked before holiday, was not expected along with details about scale, storm resistance, specification... In addition, there is also undersea wave about exchange rate when commercial banks continue the adjustment to increase USDVND rate. The situation was worse off with bad debt ratio increase back to 3.49% in January 2015.

A little silver lining among those negative information, the news that Vietnam PMI recorded the most impressive number in April (53.5 points) became no weigh for stock investors. According to our macro analyst, a huge step up of PMI showed the endurance of growth in manufacture sector. The growth of new orders and the decrease of input cost are auspicious factors for manufacturing companies, however, as we mentioned a lot before, the spillover effect is unequal. Look to listed companies in Vietnam stock market, the differentiation of 1Q2015 business result will be an evidence for above reasoning when the financial statement will be released gradually.

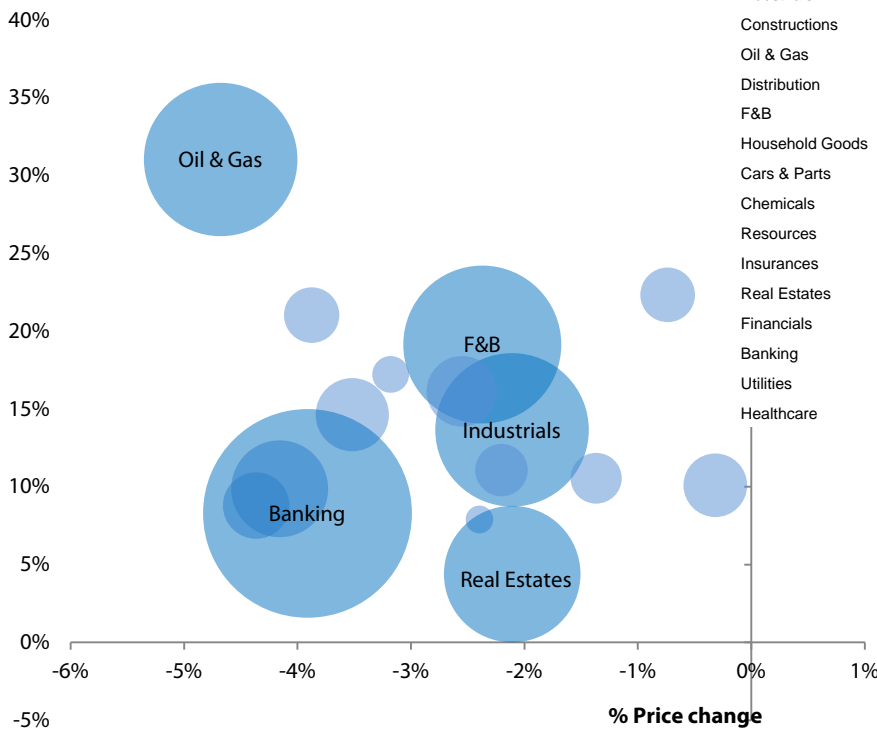
To be concluded, we suppose today’s session is an event which are not collected enough information to have a full view. For each investor, considering this is an opportunity or a risky situation will be depended on their risk aversion. For RongViet Research, we still stick to the orientation which we put title in the 2015 Vietnam Stock Market Outlook report “Use the rod, drop the net” and it is likely that the opportunity to “go fishing” could be opened this May.

VNINDEX -3.08% 545.08 VN30 -2.80% 576.52 HNXINDEX -3.38% 79.95



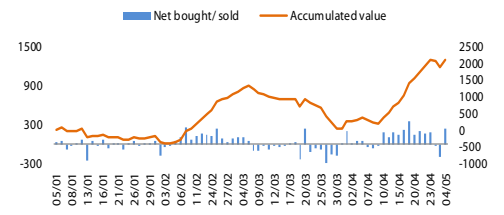
Industry Movement

Industry ROE

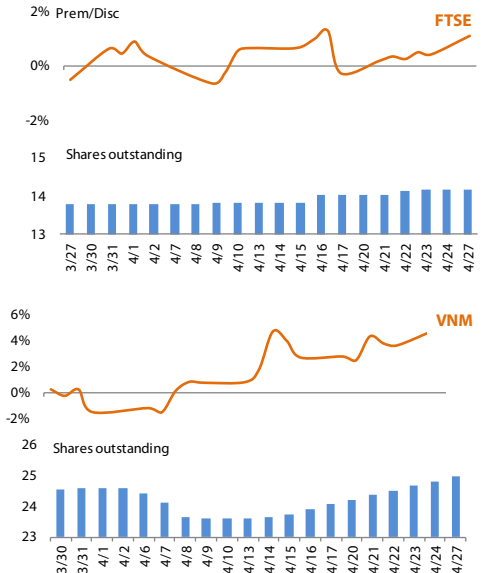


Industry	% change
Technologies	-3.9%
Industrials	-2.1%
Constructions	-4.2%
Oil & Gas	-4.7%
Distribution	-2.4%
F&B	-2.4%
Household Goods	-2.2%
Cars & Parts	-3.2%
Chemicals	-2.5%
Resources	-0.7%
Insurances	-3.5%
Real Estates	-2.1%
Financials	-4.4%
Banking	-3.9%
Utilities	-0.3%
Healthcare	-1.4%

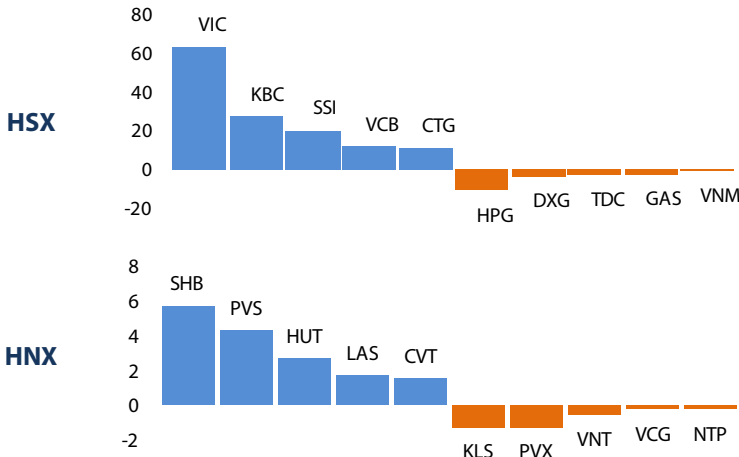
Foreign Investors Trading



ETF



Top net bought/sold by foreigners (VND bn)



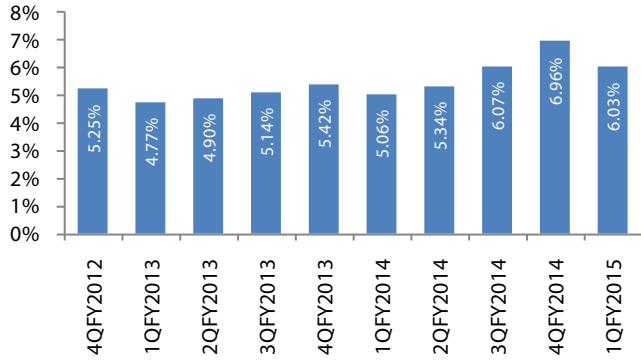
Top Active

Ticker	Price	Volume	% price change
FLC	9.7	11.48	-6.7%
CII	20.0	5.14	-5.7%
HQC	6.0	4.27	-6.3%
ITA	6.4	4.18	-5.9%
DLG	8.5	4.07	-6.6%

Ticker	Price	Volume	% price change
KLF	8.1	12.67	-9.0%
FIT	13.2	4.02	-8.3%
PVX	4.0	3.94	-9.1%
SHB	8.1	3.53	-3.6%
SCR	6.8	2.60	-4.2%

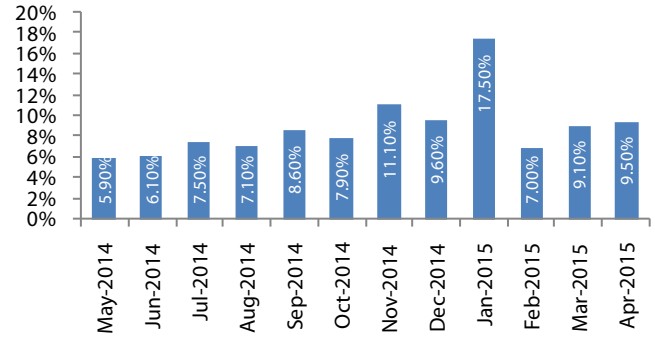
MACRO WATCH

Graph 1: GDP Growth



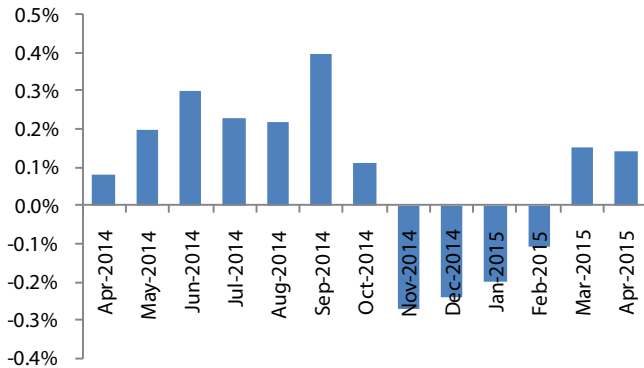
Sources: GSO. Rongviet Securities database
(*) Comparision price in 1994

Graph 2: IIP



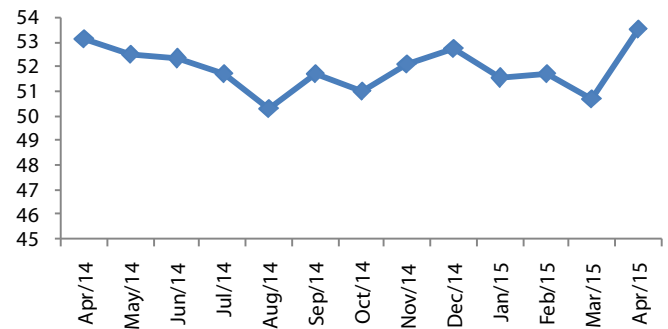
Sources: GSO. Rongviet Securities database

Graph 3: Monthly CPI



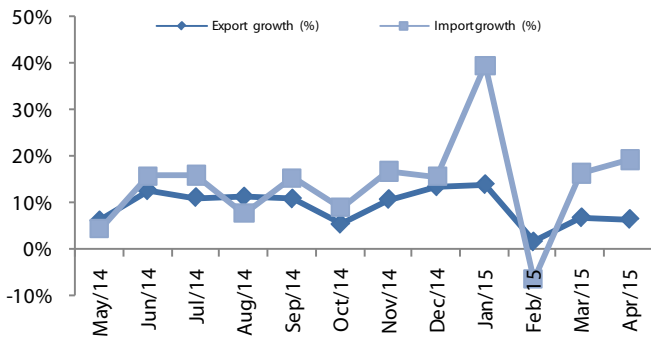
Sources: GSO. Rongviet Securities database

Graph 4: HSBC - PMI



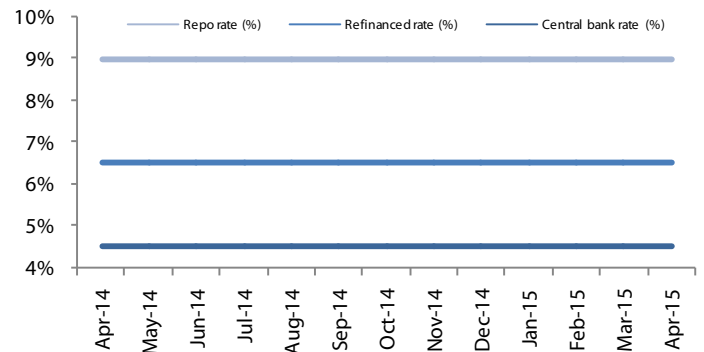
Sources: GSO. Rongviet Securities database

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
DHC-Giao Long factory (phase 2) adds lights to the long-term plan	April 24 th , 2015	Buy – Intermediate term	26,200
PLC - A firm foothold	April 14 th , 2015	Accumulate – Intermediate term	40,000
BT6 - Restructuring scheme to bring a brighter prospect	Jan 27 th , 2015	Monitor	
PAC- Opportunities along with challenges	Jan 14 th , 2015	Accumulate – Intermediate term	27,500
HMH - Positive outlook from various supporting factors	Jan 06 th , 2015	Accumulate – Long term	33,800

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	21/04/2015	0% - 0.75%	0% - 2.5%	11,741	11,793	-0.44%
VEOF	21/04/2015	0% - 0.75%	0% - 2.5%	9,630	9,607	0.24%
VF1	24/04/2015	0.2% - 1%	0.5%-1.5%	21,052	21,178	-0.59%
VF4	22/04/2015	0.2% - 1%	0%-1.5%	9,166	9,097	0.76%
VFA	24/04/2015	0.2% - 1%	0%-1.5%	7,168	7,217	-0.68%
VFB	24/04/2015	0.3% - 0.6%	0%-1%	12,049	12,154	-0.86%
ENF	17/04/2015	0% - 3%	0%	10,826	10,798	0.26%
MBVF	09/04/2015	1%	0%-1%	10,267	10,854	-5.41%
MBBF	15/04/2015	0%-0.5%	0%-1%	12,080	12,083	-0.02%

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