

MARCH

24

TUESDAY

*“Today market –
selling
consensus”*

ADVISORY DIARY

- **Rubber latex price: would increase but with slow pace**
- **Today market – selling consensus**

Rubber latex price: recovering at slow pace

Recently, USD appreciation is taking much more attention. Aside from exchange rate that we mentioned in Advisory Diary dated March 11 2015, the price escalation of some commodities also attracted great concerns. While other products are in downward trend, we believe that rubber price is sending some positive signals.

Global and Vietnam natural rubber industry are forecasted to deal with oversupply situation this year. However, the positive sign we mentioned is the possibility that oversupply gap could decrease from over 370,000 tons in 2014 to over 200,000 tons in 2015 (International Rubber Study group-IRSG). Specifically, three nations, Thailand, Indonesia and Malaysia which contribute 2/3 of the natural rubber global supply made the moves in restricting rubber latex production resulting in the dramatically decline in rubber global supply. IRSG asserted that natural rubber demand would increase approximately 1.8% in 2015. While the supply is slowed down, this opens a prospect for the price recovery in rubber industry in 2015. In addition, domestic natural rubber enterprises had recently received information from Vietnam Rubber Group (VRG) about new export market in Japan with approximately 200,000 tons per year. Our industry experts point out that this is an important step in order to reduce reliance on Chinese rubber import demand, especially when Chinese latex demand is predicted to decrease from 7.1% in 2014 to 6.0% in 2015.

More importantly, in order to solve the imbalance issue between supply and demand, Ministry of Agriculture has agreed a restructuring policy aiming to improve production capacity of rubber with high value added (SV10 and SV20) used for tire production and reduce the proportion of low-value raw rubber (3L). Furthermore, domestic natural rubber enterprises could benefit from prospect of strong growth in automobile retail industry which leads to high demand of tires. VAMA indicated that automobile sales in Vietnam increased by 40% in 2014. In fact, Radial tire production of DRC and CSM, two top listed tire enterprises, are expected to operate with higher capacity this year.

However, we are quite concerned on the declining oil price may adversely affect natural rubber competitiveness compared to synthetic rubber (residue from crude oil). However, price of oil and rubber have decreased to the lowest level since 2008 also reducing the possibility of further price reduction. To the end of 2014, world rubber latex inventory was approximately 3mil tons (UK consulting organization), as a result, although the market has positive signs in demand side and decline in supply, natural rubber industry will take time to pick up in 2015.

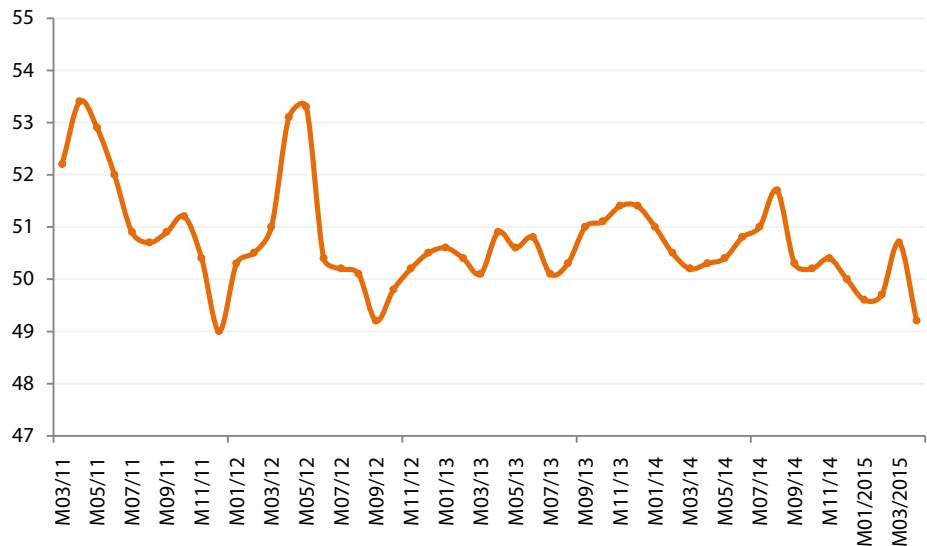
Today market – selling consensus

Today market decreased on wide scale breadth with 50% and 30% of tickers in HSX and HNX closed in red. Notably, despite deep decline (the VNIndex falling of nearly 8 points in mid-session) in the early stages of morning and afternoon session, the market rallied at the end of session to close respectively falling only 0.61% and 0.74% thanks to strong demand at the latter stage of sessions.

Alternatively, relating to macroeconomic news, according to the preliminary 2015Q3 result of China’s PMI published by HSBC, this indicator has been just 49.2 points implying the contraction in China’s manufacturing sector. The reading is the 11 month low of the indicator, which is raising concerns on a slowing growth of China’s economy, even under the previous adjusted forecast

figure of 7% for 2015. This has been likely the factor causing most of Asian markets decreasing today.

Chinese monthly PMI index



Hoang Nguyen

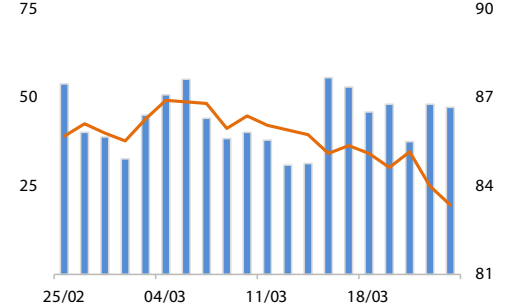
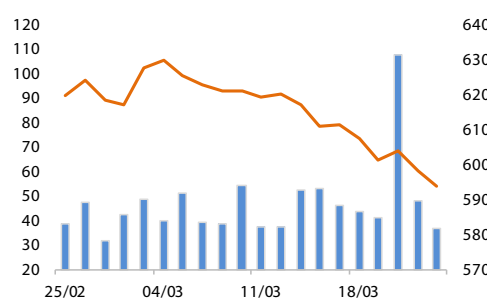
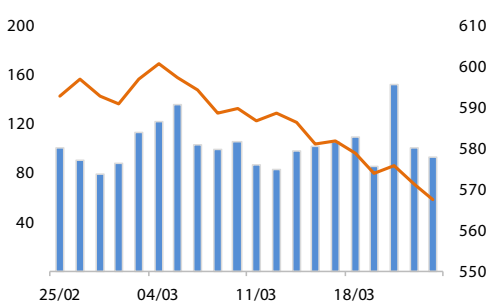
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Source: RongViet Research

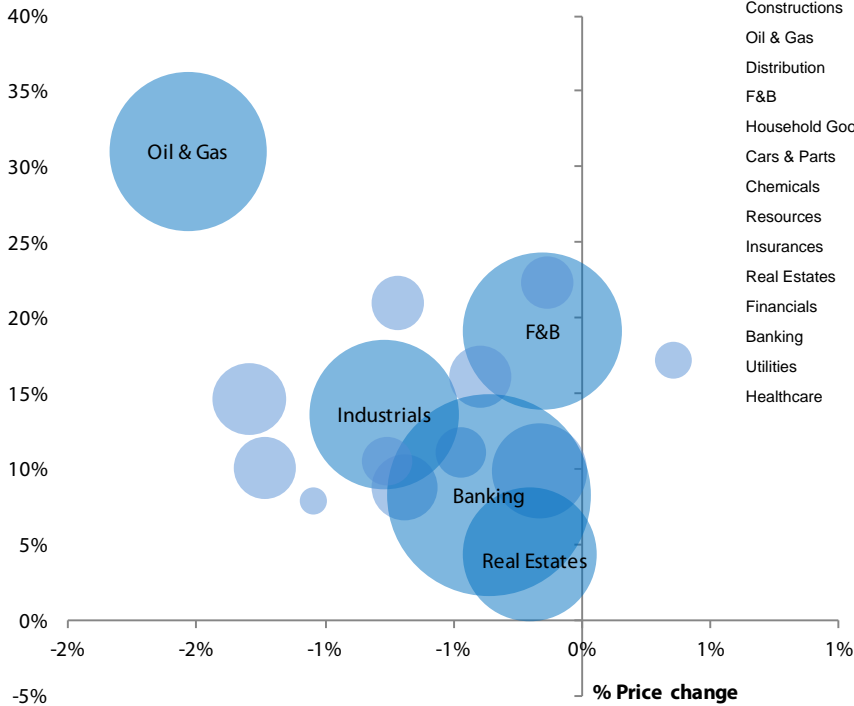
Our analyst believed that the market’s movements recently have been directionless without any particular stock group taking the market steering responsibility and certainly waits on more confirmed responses from governing bodies regarding interest rate, exchange rate... As our experience, the current market downturn witnessed could be seen as opportunity for investors to accumulate good fundamental stocks once aforementioned concerns are solved.

VNINDEX -0.61% 567.43 VN30 -0.71% 593.80 HNXINDEX -0.74% 83.32



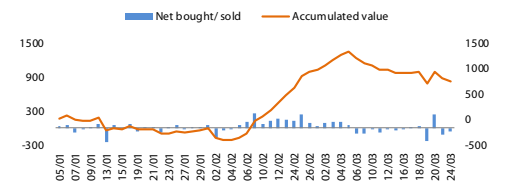
Industry Movement

Industry ROE

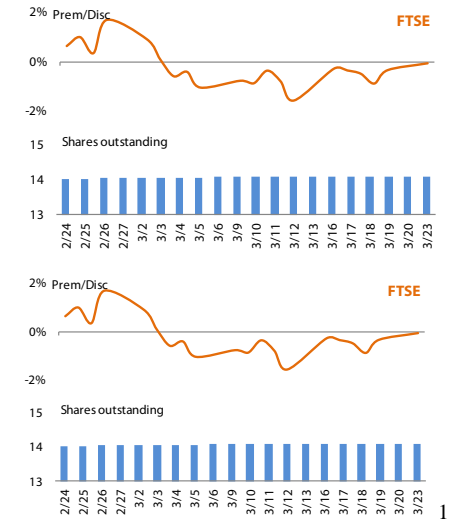


Industry	% change
Technologies	-0.7%
Industrials	-0.8%
Constructions	-0.2%
Oil & Gas	-1.5%
Distribution	-1.0%
F&B	-0.2%
Household Goods	-0.5%
Cars & Parts	0.4%
Chemicals	-0.4%
Resources	-0.1%
Insurances	-1.3%
Real Estates	-0.2%
Financials	-0.7%
Banking	-0.4%
Utilities	-1.2%
Healthcare	-0.8%

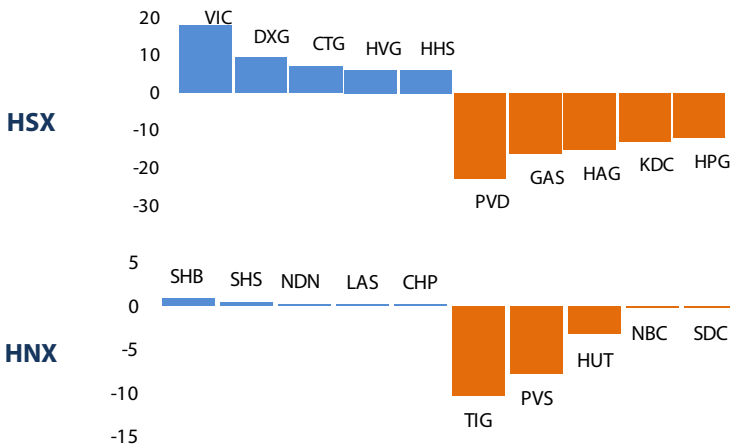
Foreign Investors Trading



ETF



Top net bought/sold by foreigners (VND bn)



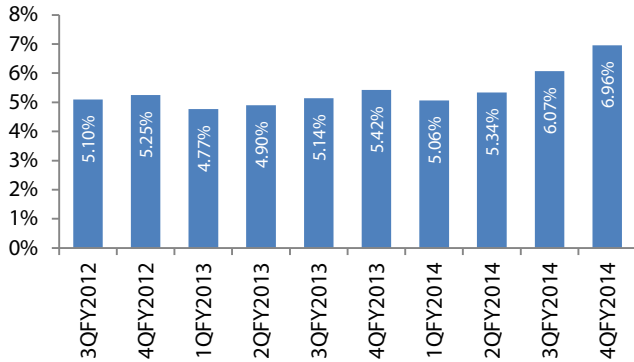
Top Active

Ticker	Price	Volume	% price change
FLC	11.8	9.42	0.9%
HQC	6.6	2.88	-1.5%
BID	17.2	2.79	-0.6%
ITA	7.3	2.71	-1.4%
VHG	11.9	2.70	-0.8%

Ticker	Price	Volume	% price change
KLF	10.6	5.14	-0.9%
FIT	19.2	4.11	0.5%
PVX	4.8	2.12	-2.0%
HUT	16.1	1.59	-0.6%
SHB	8.4	1.58	-1.2%

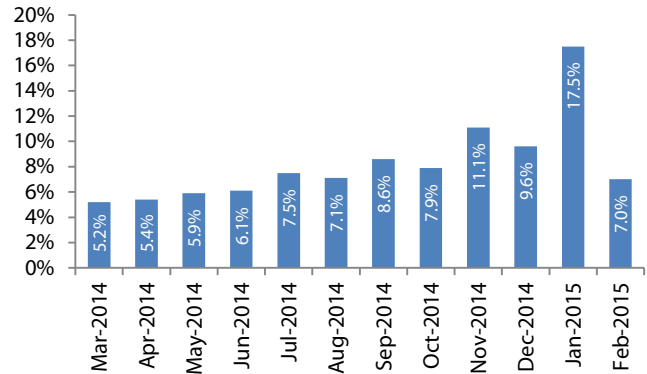
MACRO WATCH

Graph 1: GDP Growth



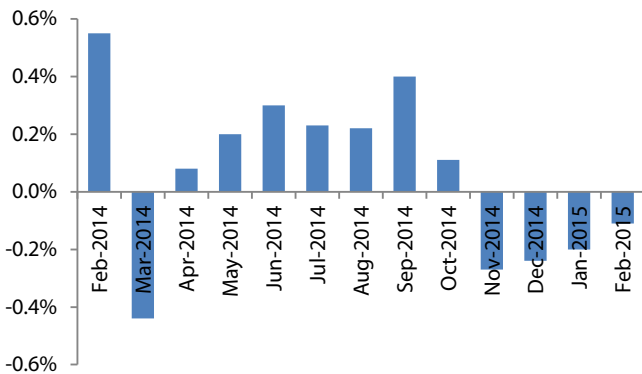
Sources: GSO. Rongviet Securities database
(* Comparison price in 1994)

Graph 2: IIP



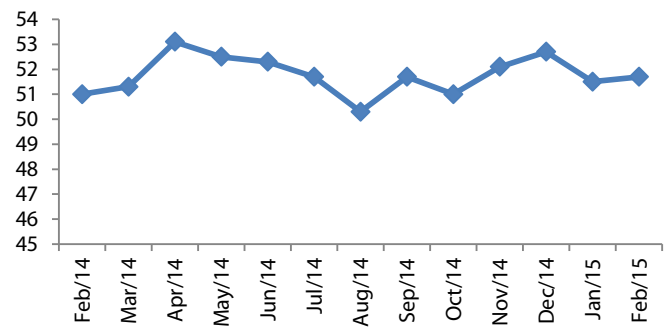
Sources: GSO. Rongviet Securities database

Graph 3: Monthly CPI



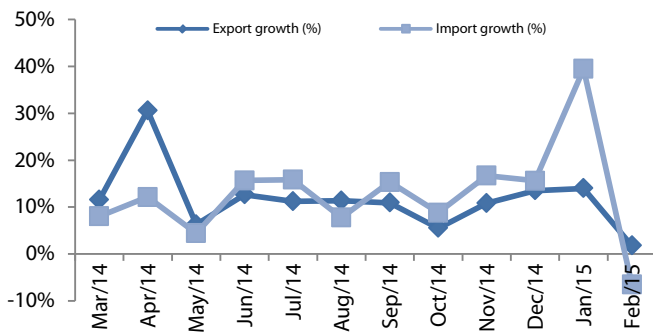
Sources: GSO. Rongviet Securities database

Graph 4: HSBC - PMI



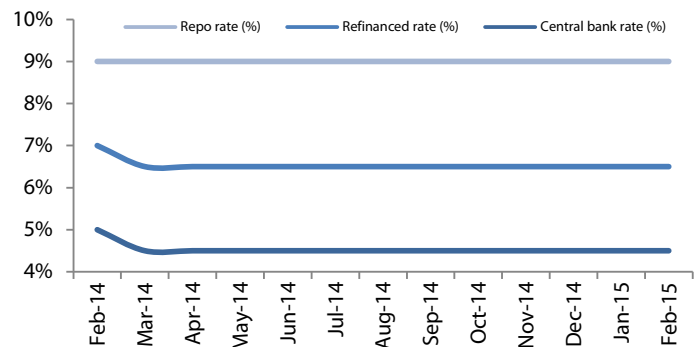
Sources: GSO. Rongviet Securities database

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
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
DPM - Tail wind from crude oil	Dec 26 th , 2014	Buy – Intermediate term	36,100
VNM - 2014 - At the pit stop	Dec 19 th , 2014	Accumulate – Long term	110,000
PCT – Restructuring	Dec 11 th , 2014	Monitor	

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	10/03/2015	0%-0.75%	0%-2.5%	11,730	11,725	0.04%
VEOF	10/03/2015	0%-0.75%	0%-2.5%	9,871	9,695	1.82%
VF1	16/03/2015	0.2% - 1%	0.5%-1.5%	21,715	21,772	-0.26%
VF4	11/03/2015	0.2% - 1%	0%-1.5%	9,530	9,552	-0.23%
VFA	13/03/2015	0.2% - 1%	0%-1.5%	7,402	7,457	-0.73%
VFB	13/03/2015	0.3% - 0.6%	0%-1%	12,187	12,179	0.06%
ENF	06/03/2015	0% - 3%	0%	10,951	10,868	0.76%
MBVF	26/02/2015	1%	0%-1%	11,081	11,100	-0.17%
MBBF	11/03/2015	0%-0.5%	0%-1%	12,032	11,966	0.55%

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