

FEBRUARY

05

THURSDAY

ADVISORY DIARY

- **PCT – Positive Signal from restructuring**
- **Poor liquidity before Tet holiday**

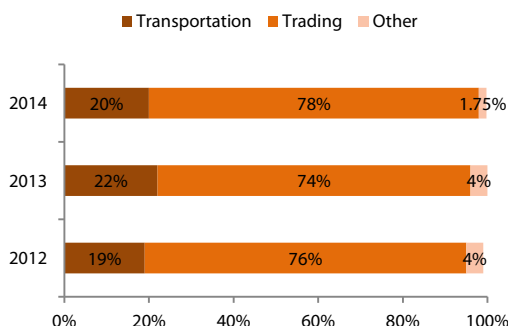
PCT – Positive Signal from restructuring

Cuu Long Petro Gas Service Transportation (PCT - HNX) is one of RongViet’s favorite companies that we recommended MONITOR in 2014 Brief Update. As we mentioned this report, PCT is in the process of the restructuring period and Q42014 financial report made known that had a positive signal for PCT’s business. More specific, although decreasing in revenue (related to LPG’s trading segment), other segments improved significantly. In Q42014, NPAT reached at VND8.1 billion, the highest number up to now and a thirteen times jump as compared to the same period. Due to an increase in gross profit margin reaching at 4.7% (only a 1-2% increase in last year), earning result witnessed a sharply jump.

According to our analyst, the franchise of taxi segment helps company to reduce expenses (material, labor and other expenses). Currently, the old brand has transferred to brand “Eco Taxi” with the friendlier-customer image. Additionally, thanks to the income of VND 6 billion from car sold, the depreciation expense has reduced in this year. Focusing on high margin segment, in second half of 2014, PCT has invested 2 tanks and 6 office cars with the total amount of approximately VND 50 billion. Consequently, the revenue of tank and office car segment has increased 31% and 39% respectively y.o.y. Besides, the profit proportion of transportation has risen from 76% to 84% in this year. With this restructuring, PCT revenue and PAT have reached respectively VND1,077 and 19.2 billion in 2014, up 13.97% and 156% y.o.y

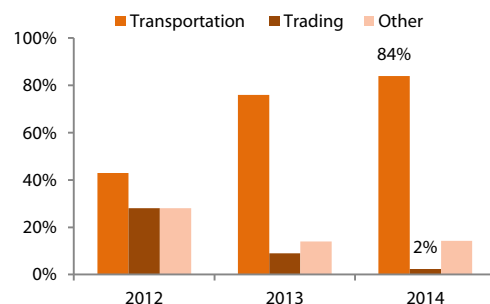
“Poor liquidity before Tet holiday”

Graph 1: Revenue structure of PCT



Source: PCT, Rong Viet Research

Graph 2: Gross profit margin structure of PCT



Source: PCT, Rong Viet Research

Overall, business performance of PCT in 2014 marked its first achievement in restructuring. Both ROA and ROE are improved and increased to 5% and 7% respectively in 2014. However, strong invest in restructuring and payback cash to creditors affect negatively to cash flow in operating activities and investment activities for three consecutive years. About 2015 outlook, revenue and NPAT are expected to reach VND 900 billion and VND 19 billion respectively, which is quite close to the business performance in 2014. In 2016, the plan to invest in LPG carries to transport LPG for Ca Mau Gas Processing Plant by inland waterways can be established. At the end of 2014, book value of PCT is 11,563 VND per share; P/B is only about 0.65, a low level compared with other company in the same industry.

Poor liquidity before Tet holiday

We observed the mixed movements on the two indices today when VN-Index closed at 567.17 (+1.02%) while HNXIndex lost 0.02 points closing at 83.17. After a few losing sessions, possibly due to the Circular 36 effect, VNIndex has shown signs of rebounding in the last two sessions. Today also witnessed the second consecutive gain of banking stocks after Tuesday's incident with most of banking tickers such as VCB, BID, CTG, EIB, MBB, SHB closed in green.

Van Banh

+ 84 8 6299 2006 | Ext: 324

Van.btt@vdsc.com.vn

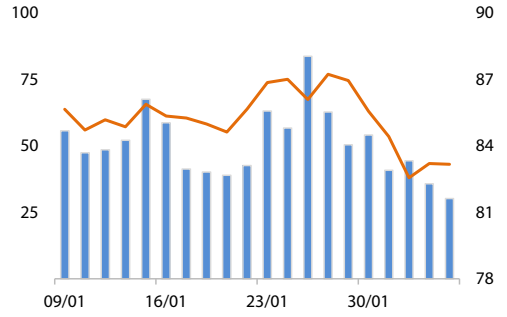
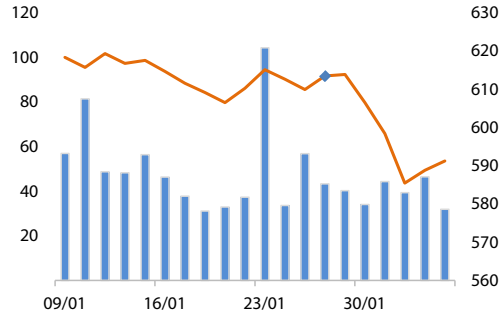
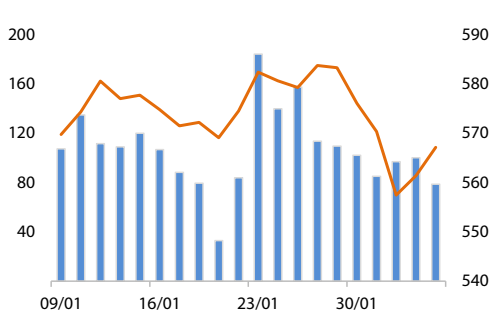
Notably, deal transaction of Rong Viet Research's favorite stocks list such as PNJ, HPG, BMP, DHC,... all recognized at a favorable price today. Meanwhile, today, foreign investor bought mainly on BVH, CTG, VCB, MGW,...with total net bought about VND 43 billion in two bourses. This could be positive news as foreign investors started to buy bank related tickers after several consecutive net sold sessions.

Low investors' sentiment possibly affected by the respective fall in Brent and WTI oil price of 6.5% and 8% could be the cause for the relatively low trading liquidity today. Liquidity could be considered as evidence for the current state of concern from investors resulting in total trading value on both exchanges falling by 27.7% compared to yesterday. Our market analyst thinks that the low and cautious investor's sentiment could last longer than expected until next week just before Tet holiday. The main indices still could remain green, however, trading activities expectedly only occur in some sectors.

VNINDEX 1.02% 567.17

VN30 0.42% 591.28

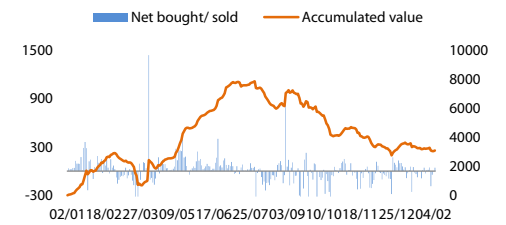
HNXINDEX -0.04% 83.17



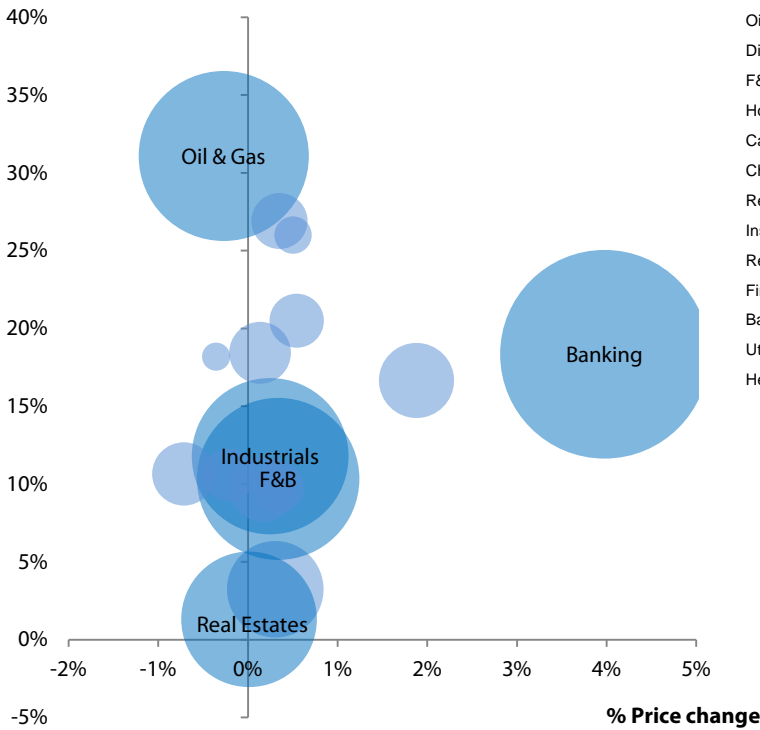
Industry Movement

Industry	% change
Technologies	0.5%
Industrials	0.2%
Constructions	0.3%
Oil & Gas	-0.3%
Distribution	-0.4%
F&B	0.3%
Household Goods	0.3%
Cars & Parts	0.5%
Chemicals	0.1%
Resources	0.4%
Insurances	1.9%
Real Estates	0.0%
Financials	0.2%
Banking	4.0%
Utilities	-0.7%
Healthcare	-0.2%

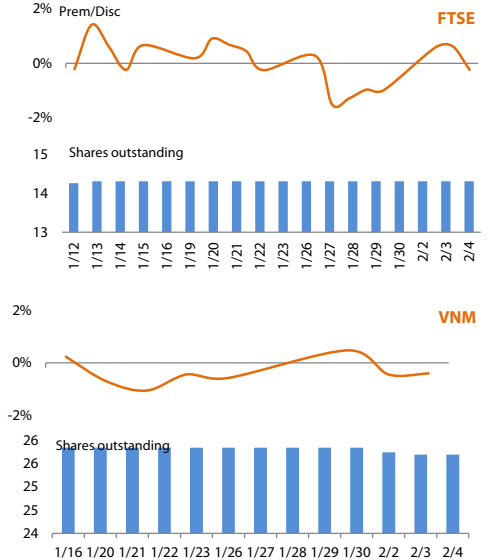
Foreign Investors Trading



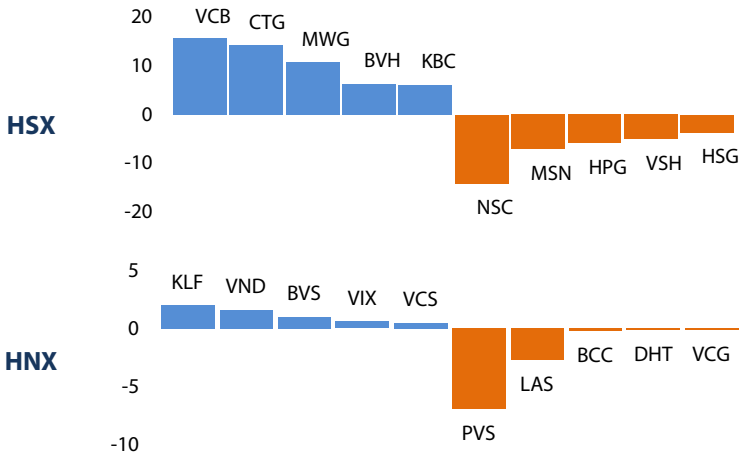
Industry ROE



ETF



Top net bought/sold by foreigners (VND bn)



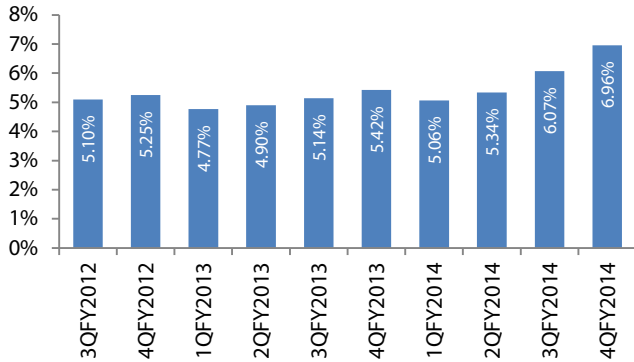
Top Active

Ticker	Price	Volume	% price change
FLC	10.6	6.72	0.0%
OGC	5.0	6.13	-3.8%
HAI	15.5	5.69	6.9%
DLG	10.6	4.09	1.9%
CTG	17.1	3.31	5.6%

Ticker	Price	Volume	% price change
FIT	18.7	5.61	5.6%
KLF	10.3	5.52	1.0%
SCR	7.8	2.23	1.3%
SHB	8.6	1.58	1.2%
VIX	24.9	1.04	-3.9%

MACRO WATCH

Graph 1: GDP Growth



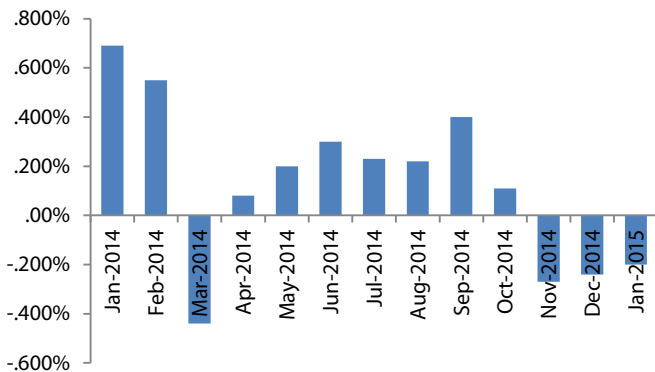
Sources: GSO. Rongviet Securities database
(*) Comparision price in 1994

Graph 2: IIP



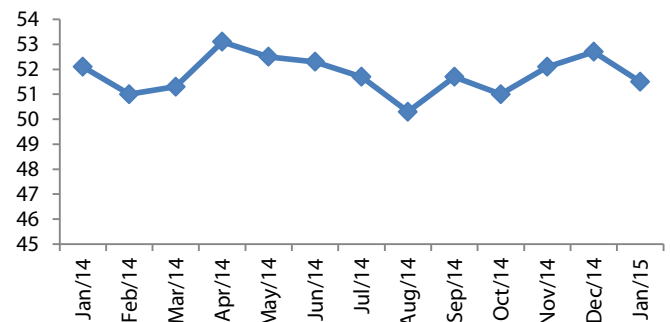
Sources: GSO. Rongviet Securities database

Graph 3: Monthly CPI



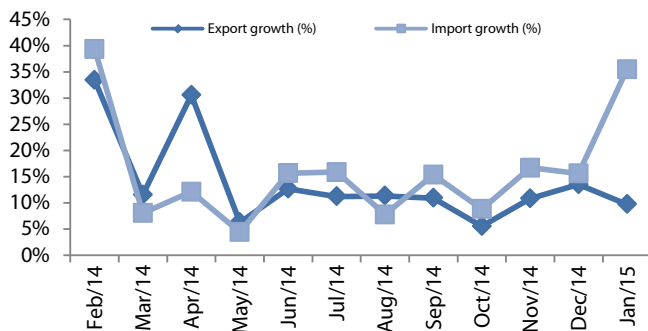
Sources: GSO. Rongviet Securities database

Graph 4: HSBC - PMI



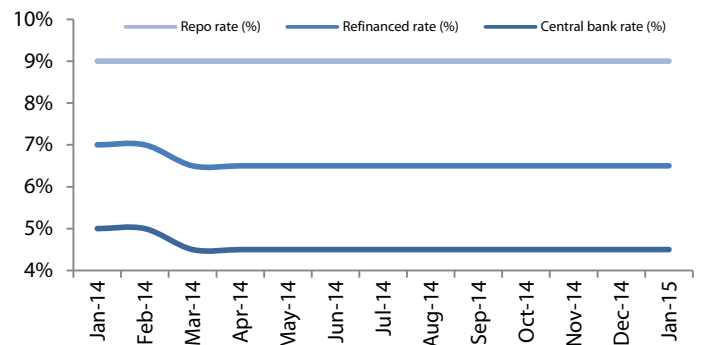
Sources: GSO. Rongviet Securities database

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
BT6- Restructuring scheme to bring a brighter prospect	Jan 26 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
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

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	27/01/2015	0%-0.75%	0%-2.5%	11,583	11,454	1.13%
VEOF	27/01/2015	0%-0.75%	0%-2.5%	9,627	9,567	0.63%
VF1	30/01/2015	0.2% - 1%	0.5%-1.5%	21,515	21,452	0.29%
VF4	28/01/2015	0.2% - 1%	0%-1.5%	9,337	9,218	1.29%
VFA	30/01/2015	0.2% - 1%	0%-1.5%	7,415	7,371	0.58%
VFB	30/01/2015	0.3% - 0.6%	0%-1%	12,015	11,912	0.86%
ENF	23/01/2015	0% - 3%	0%	10,481	10,790	-2.86%
MBVF	22/01/2015	1%	0%-1%	11,115	11,176	-0.54%
MBBF	21/01/2015	0%-0.5%	0%-1%	11,880	11,921	-0.34%

ANALYSTS
Truc Doan – Head of Research

+ 84 8 6299 2006 | Ext: 355

truc.dtt@vdsc.com.vn

Hoang Nguyen

+ 84 8 6299 2006 | Ext: 328

Hoang.nh@vdsc.com.vn

Lam Nguyen

+ 84 8 6299 2006 | Ext: 323

lam.ntp@vdsc.com.vn

Tuan Huynh

+ 84 8 6299 2006 | Ext: 326

Tuan.hm@vdsc.com.vn

Ha My Tran

+ 84 8 6299 2006 | Ext: 319

my.tth@vdsc.com.vn

Tai Nguyen

+ 84 8 6299 2006 | Ext: 319

tai.ntp@vdsc.com.vn

Diem My Tran

+ 84 8 6299 2006 | Ext: 321

my.ttd@vdsc.com.vn

Van Binh

+ 84 8 6299 2006 | Ext: 324

Van.btt@vdsc.com.vn

Trien Le

+ 84 8 6299 2006 | Ext: 325

trien.lh@vdsc.com.vn

Tam Bui

+ 84 8 6299 2006 | Ext: 324

tam.bt@vdsc.com.vn

Huong Pham

+ 84 8 6299 2006 | Ext: 323

huong.pt@vdsc.com.vn

Nam Huynh

+ 84 8 6299 2006 | Ext: 321

Nam.hk@vdsc.com.vn

HỘI SỞ TẠI TP.HCM

Tầng 1-2-3-4, tòa nhà Viet Dragon
141 Nguyễn Du, P.Bến Thành, Q.1, TP.HCM

- T +84 8 6299 2006
- F +84 8 6291 7986
- E info@vdsc.com.vn
- W www.vdsc.com.vn

CHI NHÁNH HÀ NỘI

2C Thái Phiên, Q.Hai Bà Trưng, Hà Nội

- T +84 4 6288 2006
- F +84 4 6288 2008
- E info@vdsc.com.vn
- W www.vdsc.com.vn

CHI NHÁNH NHA TRANG

50 Bis Yersin, TP.Nha Trang, Khánh Hòa

- T +84 058 3820 006
- F +84 058 3820 008
- E info@vdsc.com.vn
- W www.vdsc.com.vn

CHI NHÁNH CẦN THƠ

08 Phan Đình Phùng, Q.Ninh Kiều, TP.Cần Thơ

- T +84 0710 381 7578
- F +84 0710 381 7789
- E info@vdsc.com.vn
- W www.vdsc.com.vn



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