



OCTOBER

08

WEDNESDAY

“VNM and GAS-
two leading
tickers for
VNIndex”

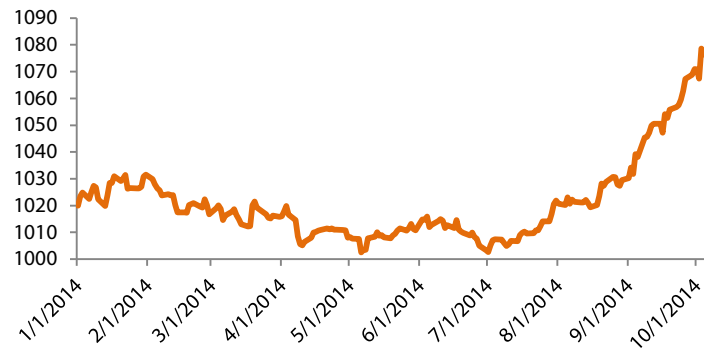
ADVISORY DIARY

- **Stronger dollar – whether the stabilization of VND support exports?**
- **VNM and GAS- two leading tickers for VNIndex**

Stronger dollar – whether the stabilization of VND support exports?

Positively outlook in terms of US economy as well as the ability that FED setting to end quantitative easing program (expected on October 2014) recently enables the stronger appreciation of the US dollar. From the beginning of September, the US dollar index (Bloomberg) jumped significantly (+3.9%), with a great contribution on its overall increase since the beginning of the year. Among that, the US dollar rate as compared with another 10 currencies* went up by 4.93% as compared to the end of 2013.

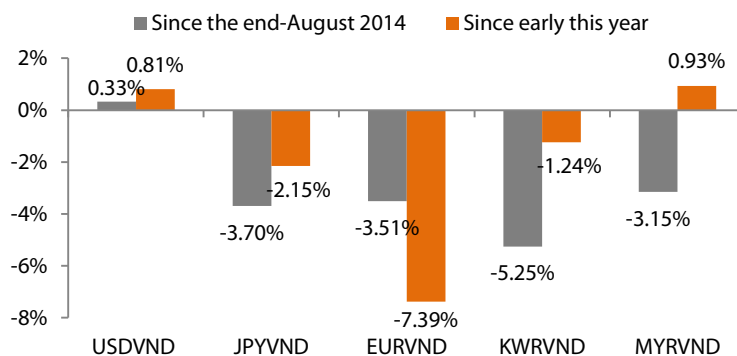
Graph 1: Bloomberg index dollar



Source: Bloomberg

Base on that fact, though SBV has raised the interbank average exchange rate up 1% in June, 2014 but the Dong is still stronger than other currency. Specifically, with the recent rise of the dollar, VND has gained about 2.15%, 7.39% and 1% against the JPY, EUR and KWR, respectively. Top 5 export' partners of Vietnam include: (1) US; (2) Japan; (3) China; (4) Korea; (5) Malaysia, in addition, EU countries also dominate high proportion in exports. The gain of VND against other currencies (JPY, EUR and KRW) is clearly a disadvantage for Vietnam' exports.

Graph 2: Change of some currency pairs



Sources: Bloomberg, RongViet Research

After SBV Governor's announcement, exchange rate jumped following a stable period, as compared with August 2014, VND depreciated about 0.3%. According to SBV, the reason for this

change is just a psychological reaction, then, Monetary Policy Department has announced that interbank exchange rate is unlikely adjusted. However, we believed that above story proved that the volatility of exchange rate is not merely a psychological factor. The Dong, has increased as compared with other currencies, could make many people infer that SBV would adjust the reference rate to support export activities. Nonetheless, exchange rate plays many roles more than once, up to now, we believe that SBV still control exchange rate well, but the adjustment of exchange rate will become a hard question. The final target is to keep the stability of macro-economy.

(*) GBP, AUD, EUR, JPY, CAD, KRW, CNH, BRL, CHF, MXN

VNM and GAS - two leading tickers for VNIndex

After nearly one-week on a seesaw, VNIndex made a spectacular comeback and closed at 617.26 points. HNIndex slightly decreased slightly at 91.21 points, compared to yesterday.

In the morning session, the market went up and down slightly. Notably, there is quite a large amount of overbought for pennies including BGM, DCT and DTA..., which leads these tickers met their price ceilings. It was easy to see that cash flow still hangs around the small-caps. At early afternoon, market saw a lot more interesting when two leading stocks of market GAS, VNM climbed by VND2,000 and VND4,000, respectively. However, there was only several stocks involved in this uptrend, such as PXS (+6.8%), HPG (+2.6%), IDI (+6.1%). Today, our analyst has attended the premiere of fish oil product of Sao Mai An Giang Corp (HSX: ASM), among that International Development & Investment Corp (HOSE: IDI) is the manufacturer and distributor. This information might be reflected to IDI share's gain today. After briefly discuss with company, our analyst will give specific comments about Company's new product next Advisory Diary.

Although VNM and GAS increased significantly, market breadth was prone to downward trend, leading by strong selling pressure. Especially, according to our observation, two third of VN30 stocks closed in "red", in which, foreign investors sought a lot of tickers, such as HAG (~VND 27bn), PVD (~VND 22bn) and SSI (~VND18 bn). The total net sell value of foreign investors related to VN30 is VND76.6 bn.

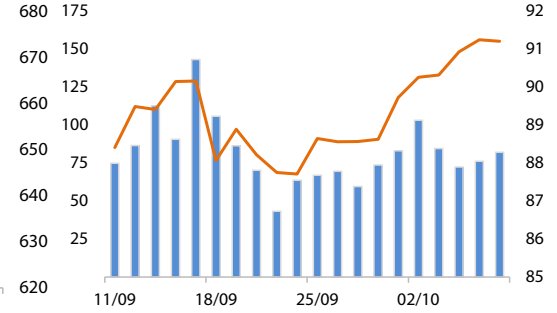
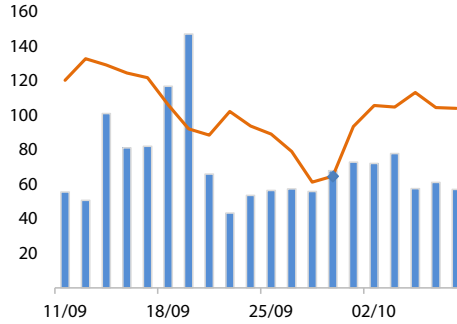
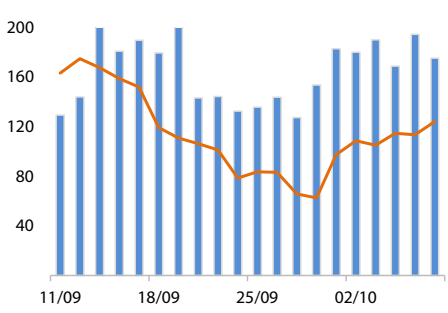
In recent trading sessions, leaking information related to 2014Q3 earnings results was unlikely to sustain the growth momentum. According to our market analyst, should Q3 earnings has a surprise, some stocks are expected to trade more active, however, they are unlikely to become common in the market. In upcoming sessions, when more and more companies release their results, market may diverge to two directions: "Disappointed" due to worse profit as compared with previous quarter or "Stable-Positive" in terms of stable result, which will set for overcoming the yearly target plan. Thus, a natural order will be a divergence in market, so we could expect both indices move in the narrow range in the following sessions.

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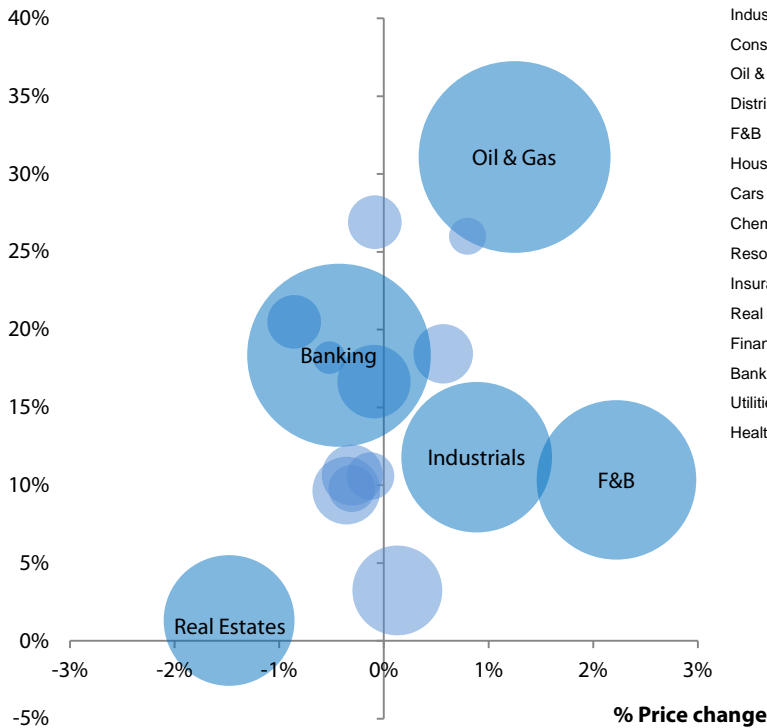
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VNINDEX 0.52% **617.26** **VN30** -0.03% **658.98** **HNXINDEX** -0.04% **91.21**



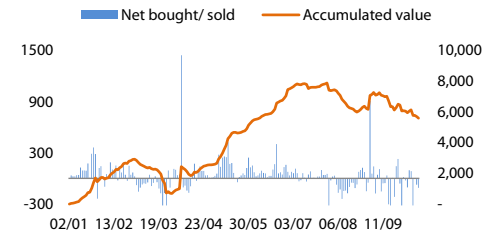
Industry Movement

Industry ROE

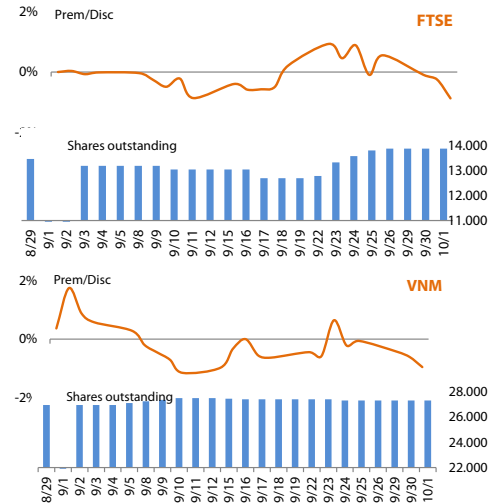


Industry	% change
Technologies	-0.9%
Industrials	0.9%
Constructions	0.1%
Oil & Gas	1.2%
Distribution	-0.5%
F&B	2.2%
Household Goods	-0.3%
Cars & Parts	0.8%
Chemicals	0.6%
Resources	-0.1%
Insurances	-0.1%
Real Estates	-1.5%
Financials	-0.4%
Banking	-0.4%
Utilities	-0.3%
Healthcare	-0.1%

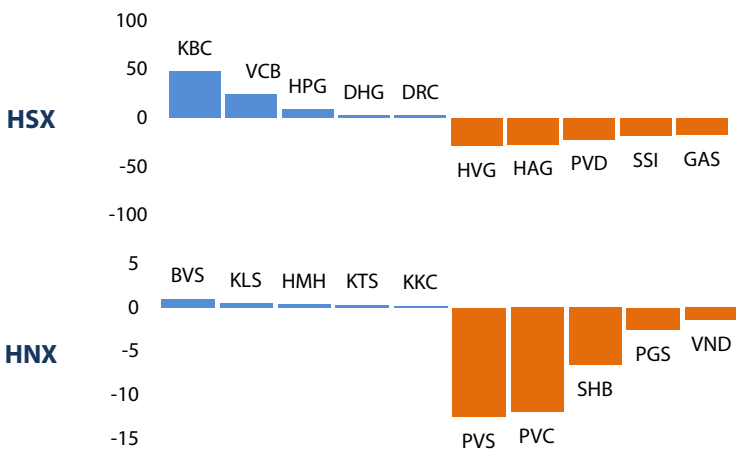
Foreign Investors Trading



ETF



Top net bought/sold by foreigners (VND bn)



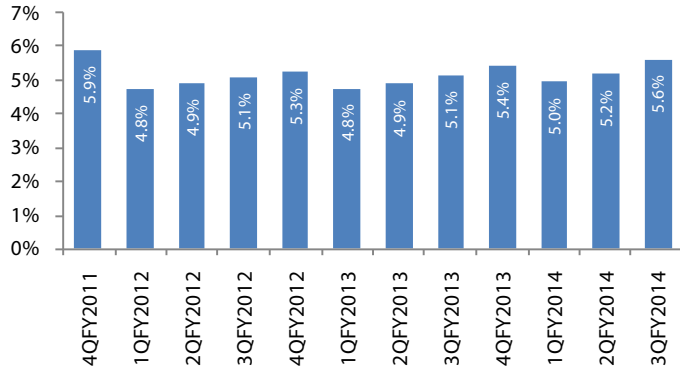
Top Active

Ticker	Price	Volume	% price change
VHG	14.3	9.50	5.1%
ITA	9.1	9.49	-3.2%
FLC	11.8	8.95	-1.7%
SSI	31.4	7.05	-0.6%
KBC	16.9	6.87	-3.4%

Ticker	Price	Volume	% price change
PVX	6.6	12.76	0.9%
SHB	9.3	7.72	0.8%
KLF	11.8	5.93	-1.9%
FIT	27.7	5.02	1.2%
SCR	10.7	4.56	-1.3%

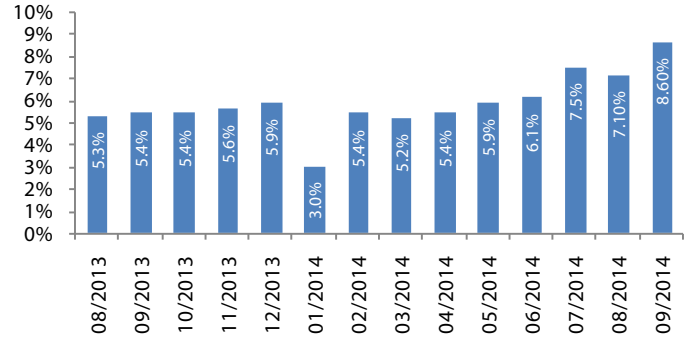
MACRO WATCH

Graph 1: GDP Growth



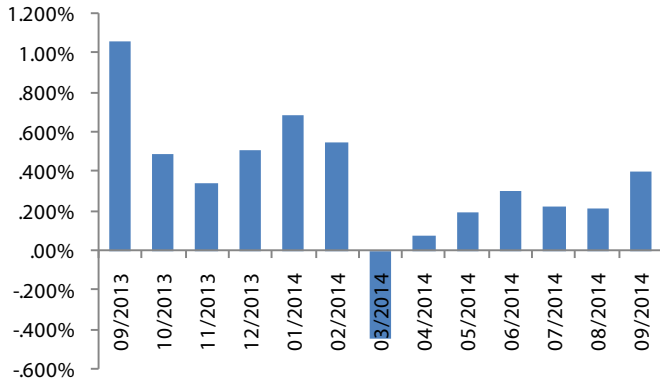
Sources: GSO. Rongviet Securities database
(* Comparison price in 1994)

Graph 2: IIP



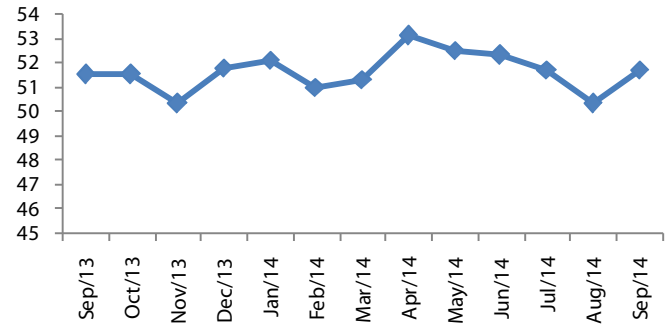
Sources: GSO. Rongviet Securities database

Graph 3: Monthly CPI



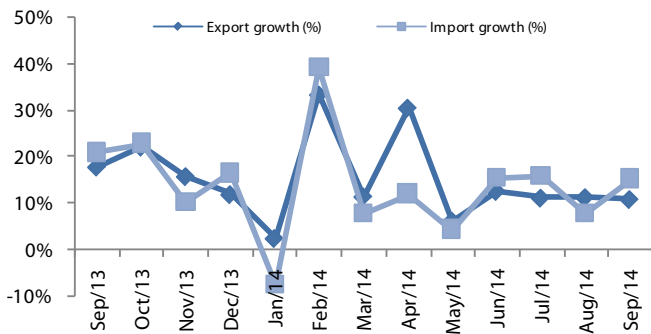
Sources: GSO. Rongviet Securities database

Graph 4: HSBC - PMI



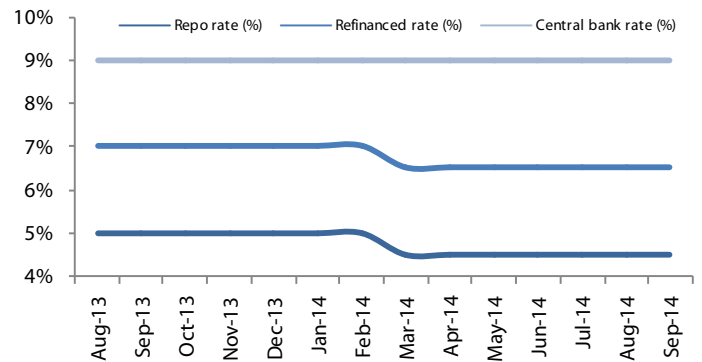
Sources: GSO. Rongviet Securities database

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
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
HSG - The hard part has gradually done!	Aug 21 st , 2014	Accumulate – Intermediate term	48,100

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	23/09/2014	0-0.75%	0-2.5%	11,702	11,645	0.49%
VF1	26/09/2014	0.20% - 1.00%	0.50%-1.50%	23,267	23,041	0.98%
VF4	24/09/2014	0.20% - 1.00%	0.00%-1.50%	10,541	10,868	-3.01%
VFA	26/09/2014	0.20% - 1.00%	0.00%-1.50%	7,690	7,709	-0.25%
VFB	26/09/2014	0.30% - 0.60%	0.00%-1.00%	11,709	11,532	1.53%
ENF	19/09/2014	0.00% - 3.00%		10,761	10,705	0.52%

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