

*“Crab” market –
Investors and
farm story*

- **Mobile World Investment Corp Comments (MWG - will be listed on HSX)**
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Mobile World Investment Corp Comments (MWG - will be listed on HSX)

Recently, investors are quite interested in the event that Mobile World Investment Corp (MWG – HOSE) will be listed on HSX in the late of this month. Partly because of this is a familiar brand name for most peoples, more important, company has showed an impressive business performance during recent years.

Just before being listed, MWG has diluted its share-out about 4,4 times through stocks bonus and stocks dividend (from 11.6 mil shares to 62.7 mil shares). However, the listed price is predicted quite high, at 85,000 VND (~US\$4) per share.

MWG reached an impressive growth in 2013 and Q12014

The operating performance of MWG is very positive in 2013 based on below main points:

- (1) Revenue was more than 9,499 bn VND (+28.8% yoy), EBT for parent shareholders was 255.6 bn VND, doubled the same period.
- (2) Gross profit margin decreased compared to the previous years because of restructuring products through discount policy, but selling and administration cost has got under good control.
- (3) Debt structure has improved, Debt/Equity ratio downed from 85.8% to 64.1% in 2013.
- (4) Other financial ratio such as ROE, CFO/Debt and current ratio was better compared to 2012.

Financial Ratio		2011	2012	2013
Revenue growth	%		36.9%	28.8%
Gross profit margin	%	17.7%	16.2%	14.8%
SG&A/Revenue	%	13.5%	13.3%	11.2%
Profit growth	%		-21.1%	104.4%
Net profit margin	%	2.9%	1.7%	2.7%
EPS	VND	29,581	12,403	24,294
ROE	%	52.3%	27.4%	31.9%
Current ratio		1.00	1.13	1.35
Debt/Asset	%	19.9%	24.5%	23.0%
Debt/Equity	%	100.9%	85.8%	64.1%
CFO/Debt		(0.21)	(0.07)	0.20

Sources: MWG, RongViet Securities

Subsequent to 2013' success, Q12014 result has maintained impressive growth with revenue at 3,478 bn VND (+70.7% yoy) and net profit at 168.6 bn VND, a fourfold increase compared to the same period. Gross profit margin of Q12013 also gained to 15.6% and company expects its margin will be better than 2013.

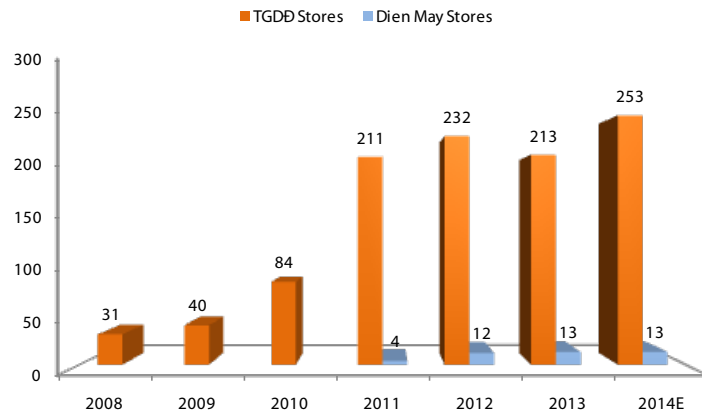
2014 plan: strong growth continues.

This year, company planned revenue at 13,021 bn VND (+37% compared to 2013) and net profit at 435 bn VND (+68.3%). Till the end of May, 2014, company has completed 44.5% plan of revenue (~5,800 bn VND) and 57.5% plan of earning (~250 bn VND). Based on those result, we believe company will has high chance to get ahead of schedule.

Focus on developing mobile retail segment in 2014.

Company will open more 40 The Gioi Di Dong stores (TGDD), raise the total of TGDD stores to 253 and maintain the operation of 13 Dien May stores. The goal for 2014-2016 period is extending the market share of mobile retail segment from 25% to 30%, while electronics segment is oriented to specialize in main products with target market is the suburb of HCM City.

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Source: MWG

In variety of aspects, we evaluate that projected price of 85,000 VND per share, P/E of 10-12x, that is not as cheap as current Blue-chips. However, in case of the maintenance of operation growth, investors might keep track of it to seek for opportunities. After listed, the Company plans to issue stock bonus and advanced stock dividend in order to increase charter capital up to VND976 bn. We consider it is less likely to be a support for MWG's price. The primary support might come from the possibility of increasing revenue growth in future.

"Crab" market – Investors and farm story

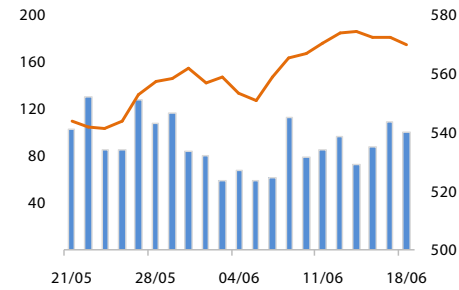
In the mid-week meeting, our market analysts defined the current market as "crab" market. In fact, VNIndex has being moved sideways in a narrow range (around 570 pts) since 11th June. During "crab" market period, we are curious about the investors' sentiment? A wise friend – Investopedia has provided a very interesting explanation. The investor styles are compared as attractive images:

- "Bulls" and "Bears" are quite similar to all, and maybe, we do not need to repeat.
- "Chickens" and "Pigs" are two terminologies which we would like to share. Whereas "Chickens" are afraid of losing, and thus, they do want to take higher risks to compensate higher return, "Pigs" is known as risk-lover investors who are looking for big earnings in a short term. Thus, "pigs" usually focus on speculative stocks without necessary consideration.

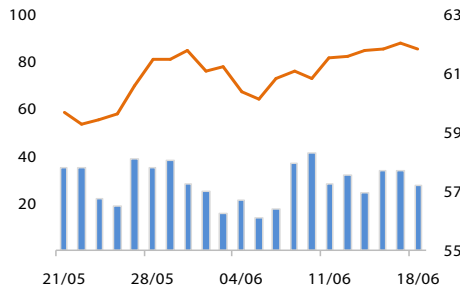
Currently, the number of "chickens" is dominating in the market. It is normal in time of information shortage, and therefore, we suggest that investors should consider high-liquidity securities and expect reasonable return.

For Pigs-style investors, we re-call an idiom from Wall Street as a comment: "Bulls make money, bears make money, but pigs just get slaughtered!"

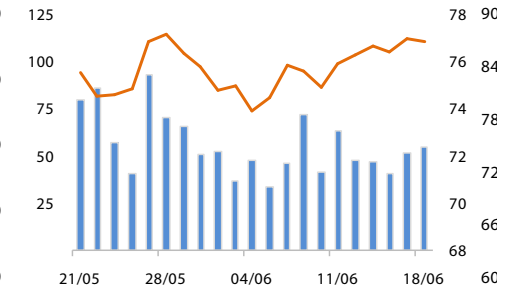
VN INDEX -0.39% **570.03**



VN30 -0.32% **618.61**

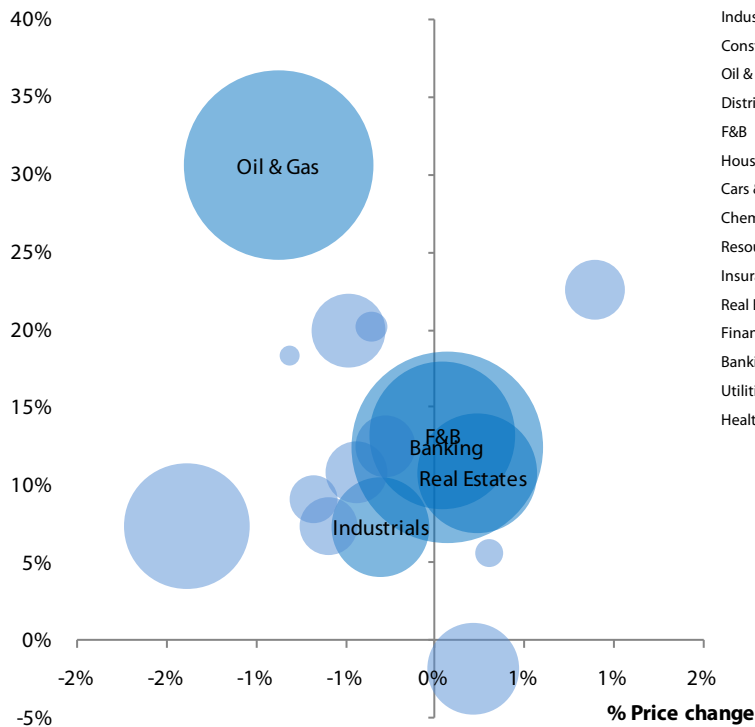


HNX INDEX -0.18% **76.85**



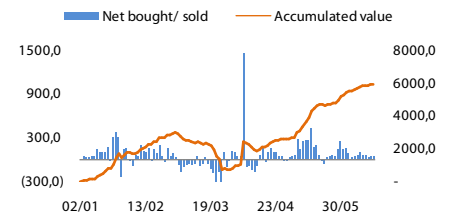
Industry Movement

Industry ROE

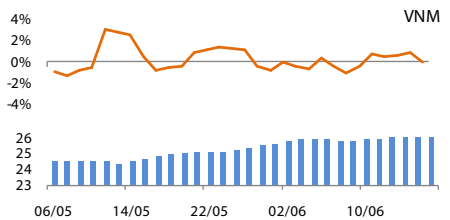
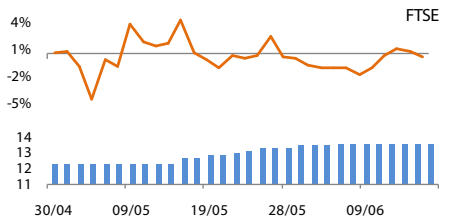


Industry	% change
Technologies	-0.8%
Industrials	-0.3%
Constructions	0.2%
Oil & Gas	-0.9%
Distribution	0.3%
F&B	0.0%
Household Goods	-0.4%
Cars & Parts	-0.4%
Chemicals	-0.3%
Resources	0.9%
Insurances	-0.5%
Real Estates	0.2%
Financials	-1.4%
Banking	0.1%
Utilities	-0.6%
Healthcare	-0.7%

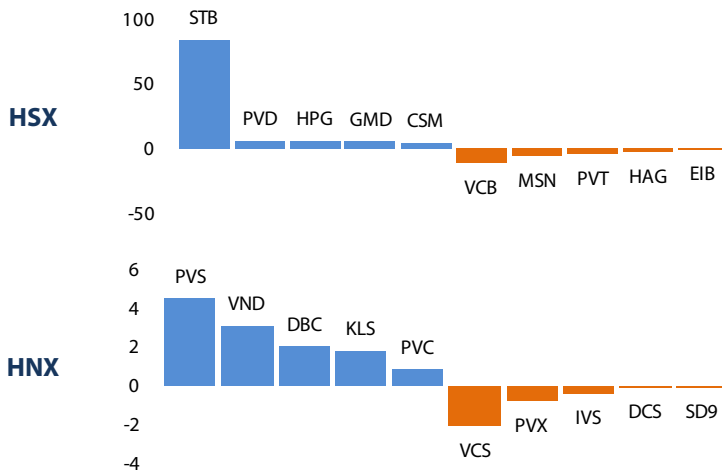
Foreign Investors Trading



ETF



Top net bought/sold by foreigners (VND bn)



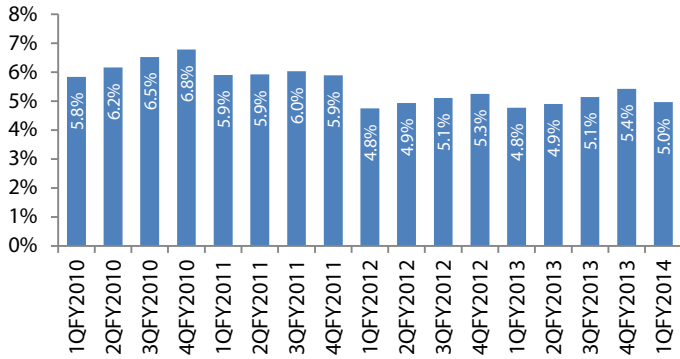
Top Active

Ticker	Price	Volume	% price change
FLC	10.90	6.61	-1.8%
ITA	8.20	5.35	-1.2%
KSS	6.20	5.24	5.1%
HQC	7.70	5.21	-2.5%
STB	21.00	4.19	0.0%

Ticker	Price	Volume	% price change
KLF	11.40	6.05	-1.2%
PVX	4.20	5.77	-1.4%
SHB	9.20	5.68	0.9%
SCR	8.70	5.49	1.4%
FIT	15.60	4.28	0.2%

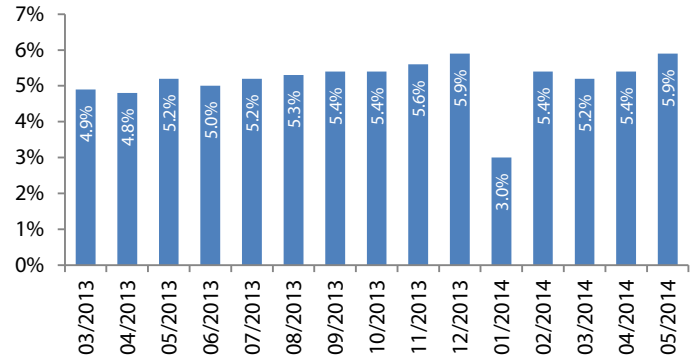
MACRO WATCH

Graph 1: GDP Growth



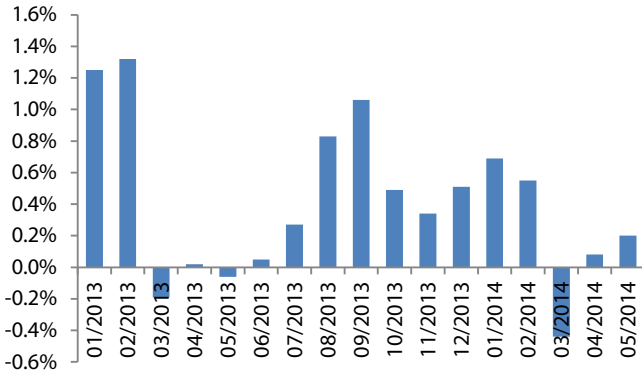
Sources: GSO, Rongviet Securities database
(* Comparison price in 1994)

Graph 2: IIP



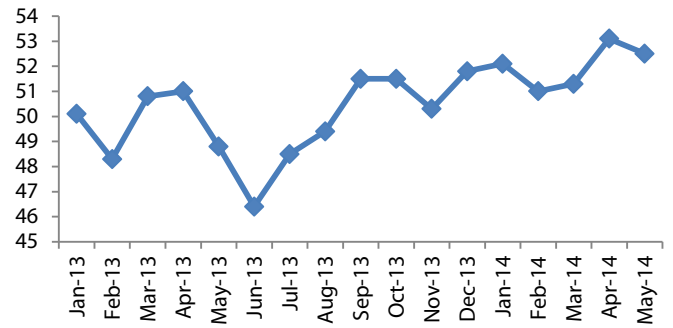
Sources: GSO, Rongviet Securities database

Graph 3: Monthly CPI



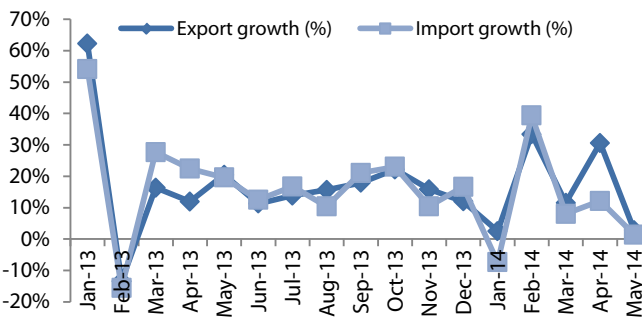
Sources: GSO, Rongviet Securities database

Graph 4: HSBC - PMI



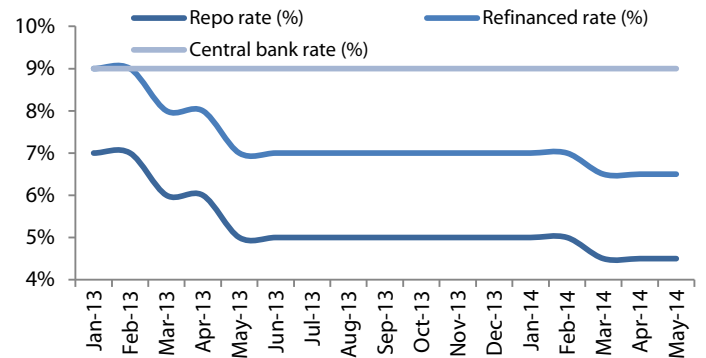
Sources: GSO, Rongviet Securities database

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
DBC-Benefit from decline in material price	May 27 th , 2014	Buy – Long-term	28,000
FPT-Leaping revenue	May 27 th , 2014	Accumulate – Intermediate-term	51,600
NBB-Strengthened cash flows	May 07 th , 2014	Buy – Long-term	36,300
DIG-Reboot	April 28 th , 2014	Accumulated – Long-term	19,200
HPG-Sustainable Development	April 24 th , 2014	Accumulated – Intermediate-term	55,100

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	10/06/2014	0.75%	0.75%	10,761	10,766	-0.05 %
VF1	12/06/2014	0.20% - 1.00%	0.50%-1.50%	20,784	20.384	1.96 %
VF4	11/06/2014	0.20% - 1.00%	0.00%-1.50%	9,395	9.318	0.83 %
VFA	13/06/2014	0.20% - 1.00%	0.00%-1.50%	7,363	7.345	0.24 %
VFB	13/06/2014	0.30% - 0.60%	0.00%-1.00%	10,799	10.771	0.26 %
ENF	06/06/2014	0.00% - 3.00%		9,609	9.706	-1.00 %

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