

NOVEMBER

28

FRIDAY

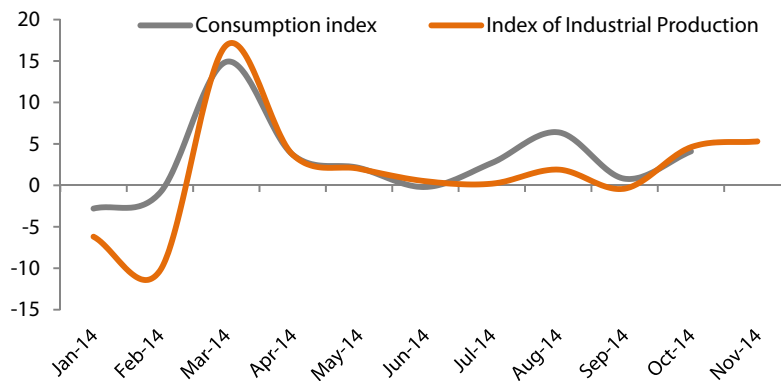
ADVISORY DIARY

- **Macro: More positive in the last months**
- **Oil&Gas Stocks –“Falling Stars”**

Macro: More positive in the last months

General statistics office just made known the November socio-economic report. We realized that the general picture looks more positive in the late year. More specific, Index of industrial production in November increased 5.3% compared to last month, the highest increase in 2014 after seasonal adjustment. Noticeably, Retail sales index also went up 3% as compared with previous month because the decreased material and product prices pushed consumption demand up in this month. Up to now, total retail sales of consumer goods increased 6.5% after price adjustment, higher than the figure for the same period last year (~5.6%). Due to falling oil price to the lowest level these days, we suppose that gasoline price will continue to decline in the future. Therefore, consumer demand in the late year could further increase before some holidays in 2015.

Exhibit: Change in consumption index and Index of Industrial Production in 2014



Source: GSO, RongViet Research

Meanwhile, up to November 15th, 2014, we suppose income & expenditure of state budget are relatively positive. Total government budget income stood at VND 759.9 trillion (~97.1% of guidance), most of revenue also reached planned budget income in this year. At the same time, total of budget expense was predicted to reach at VND 894.1 trillion, only completed 88.8% of whole target. Accordingly, the current deficit reached at VND134,500 billion (much lower than VND224,000 billion related to Vietnam's budget deficit ceiling this year). Therefore, the recent statement that the government might increase government bond issuance in order to cover the budget deficit this year seems to be unreasonable. Instead, the adjustment plans of issuing VND30,000 billion bonds in 2014 could aim to support the budget next year.

Oil&Gas Stocks –“Falling Stars”

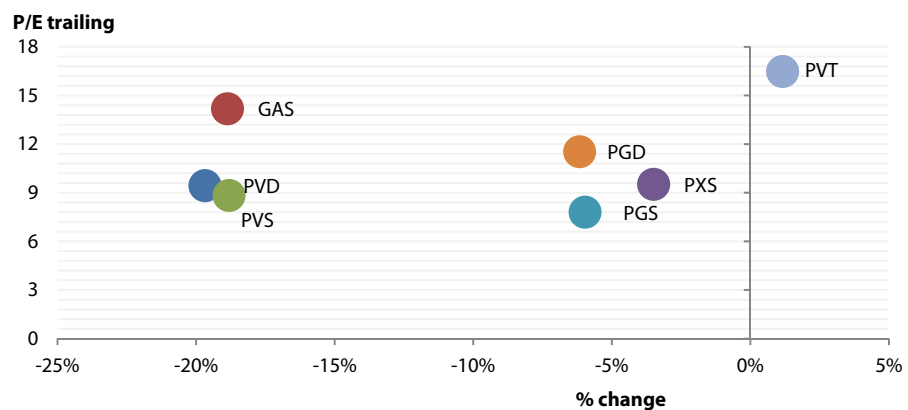
Vietnam stock market in November ended up by an “indices dropped but stocks added” session with 134 up and 84 down. Oil & Gas stocks were continuously heavily sold out after OPEC made known to remain Crude Oil output no matter how falling crude oil's price was. As our latest update, PVD had just published estimated business result in the whole 2014. Accordingly, 2014 revenue intendedly reach at VND19,500 billion (+32% yoy) and PAT achieved VND 2,400 billion (+27% yoy). This result relatively closes to our estimate in the latest Company report, noticeably, PVD also made known about stable business prospect in the 2015-2016 period. Although quite

*Oil&Gas Stocks
–“Falling Stars”*

confident in the prospects of the company, we recognized that selling pressure related to PVD remained unchanged. Up to now, this stock decreased to the lowest price since July 2014, losing all gains in Q32014.

Not only PVD, in this month, Oil&Gas stocks but also decreased by 18% due to the 20% decrease of large-caps such as GAS, PVD, PVS. These are also stocks that foreign investors net sold in this month with the total volume of 2.5, 2.9 and 3.5 million shares. Once considering the investment trend in 2014, we think few investors imagined this scenario may occur in the remaining months of year. In other words, Oil&Gas stocks became "falling stars". In November, the industry having the most impressive increase were consumer good industry (such as textiles, electrical appliances, washing powder ...) with an increase of 8.4%, it is able to be new investment trends during the upcoming peak holiday season.

Chart: Current P/E trailing and changes of some oil&gas tickers in November



Sources: Bloomberg, RongViet Research

In the whole November, Oil&Gas stocks fell by 18% and VNIndex decreased by 5.7%, while HNIndex only went down by 0.7% this month. December is the month that the whole economy and business have to meet the target of the year. In contrast, it is interesting that most of the Oil&Gas companies have accomplished the target of the year. Therefore, we suppose that the overachieved target is unlikely to become the concern of investors due to Oil&Gas stocks but the ability to respond to fluctuations in oil prices in 2015. Thomas Fuller - historian British - once said, "It is always darkest just before the day dawneth". Does the recent movement have reflected the worst case for oil and gas stocks? And in 2015, will the dawn rise if the worst expectation does not happen?

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WEEKLY TECHNICAL VIEW

VN-Index

VN-Index plunged 21,45 points (or 3,65%), closed at 566,68. Trading volume reduced 9,2% down to 612 million shares.

This week VN-Index officially broke down below the 200-day moving average (at 588) as well as its previous trough (at 580). This average is considered to be a strong support of VN-Index and now it became a resistance.

On weekly chart, three black candlesticks appeared, showing strong selling forces. The Bollinger band is widening sharply.

Looking at technical indicators, the MACD and the RSI remains bearish. The RSI even fell below 30, showing that VN-Index is oversold.

VN-Index is now moving towards the lower trend line of the intermediate corrective channel at around 560. Traders should watch for rebound at 560 or a continuing move down to 540.

HNX-Index

HNX-Index lost 1,72 points (or 1,93%), closed at 87,42. The liquidity was down 13,6% with 298 million shares changed hands. The support of HNX-Index at 89 (equivalent to 26-day and 50-day moving averages) was broken. Traders should watch for a rebound at 86 or a continuing move down 83-84 area.

Looking at technical indicators, both the MACD and the RSI remain bearish.

The next supports of HNX-Index are 86 and 83 (equivalent to 200-day moving average)

Recommendation:

The two indexes continued moving down strongly. Traders should temporarily stay out of the markets and wait for new signals next week.

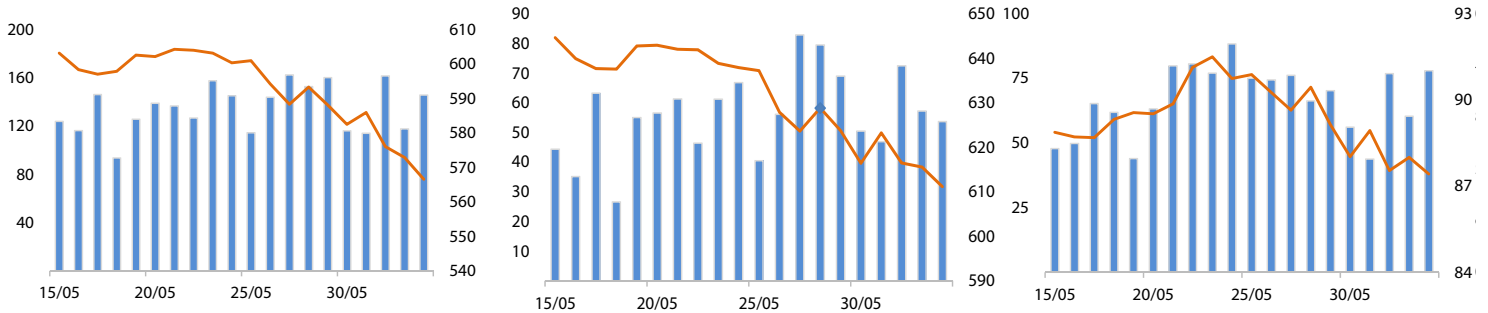


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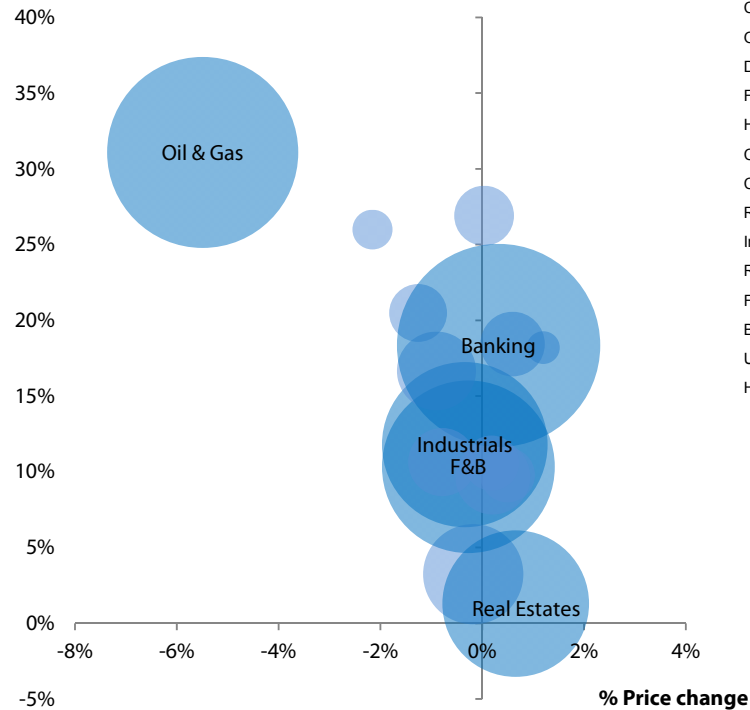
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VNINDEX -1.10% 566.58 VN30 -0.72% 611.15 HNXINDEX -0.66% 87.42



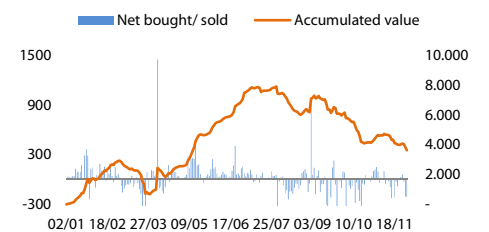
Industry Movement

Industry ROE

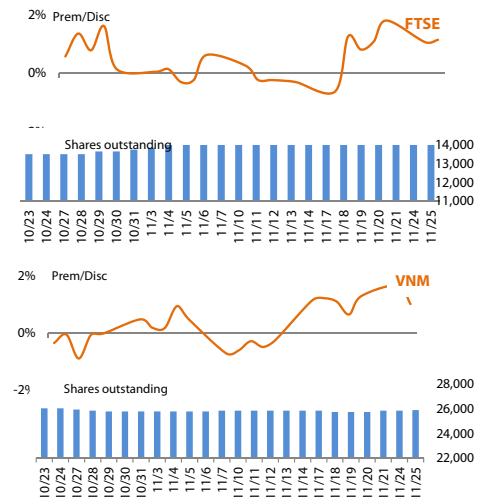


Industry	%change
Technologies	-1.3%
Industrials	-0.3%
Constructions	-0.2%
Oil & Gas	-5.5%
Distribution	1.2%
F&B	-0.3%
Household Goods	0.5%
Cars & Parts	-2.2%
Chemicals	0.6%
Resources	0.0%
Insurances	-0.9%
Real Estates	0.7%
Financials	0.2%
Banking	0.3%
Utilities	-0.8%
Healthcare	0.2%

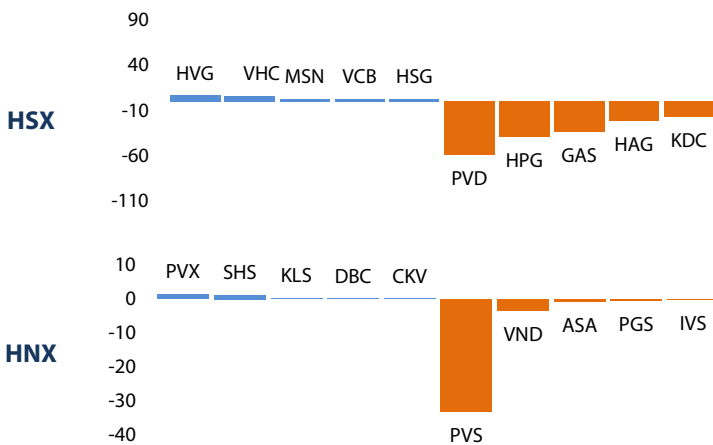
Foreign Investors Trading



ETF



Top net bought/sold by foreigners (VND bn)



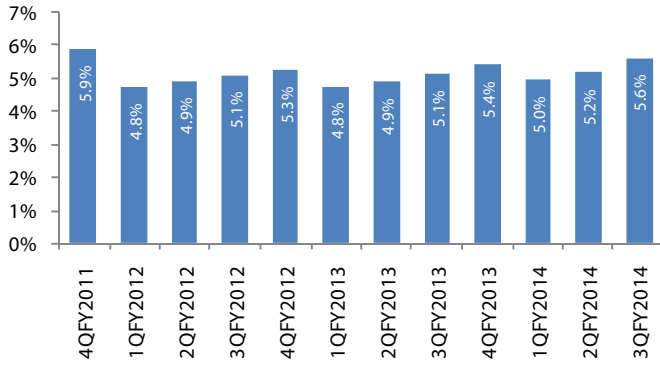
Top Active

Ticker	Price	Volume	% price change
FLC	11.7	19.47	-2.5%
ITA	8.9	10.57	2.3%
HQC	8.1	9.84	2.5%
VHG	14.3	6.70	-0.7%
OGC	8.4	6.70	3.7%

Ticker	Price	Volume	% price change
SCR	10.6	11.54	3.9%
KLF	13.0	10.55	-5.8%
PVX	6.3	5.61	-1.6%
PVS	32.8	4.63	-6.6%
VCG	14.3	4.57	7.5%

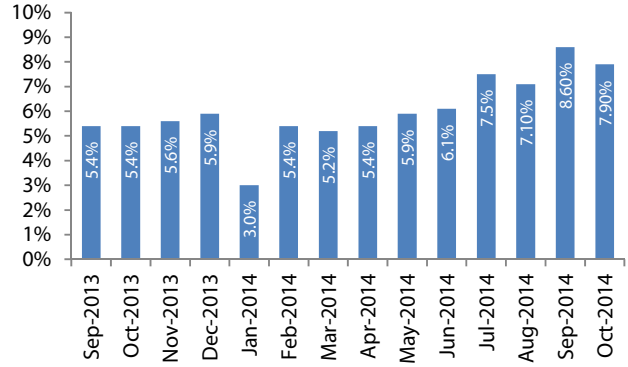
MACRO WATCH

Graph 1: GDP Growth



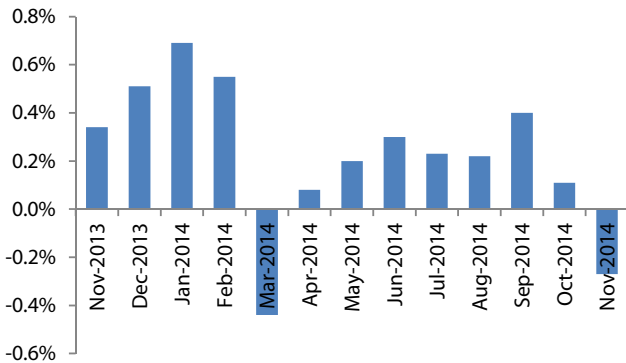
Sources: GSO. Rongviet Securities database
(* Comparison price in 1994)

Graph 2: IIP



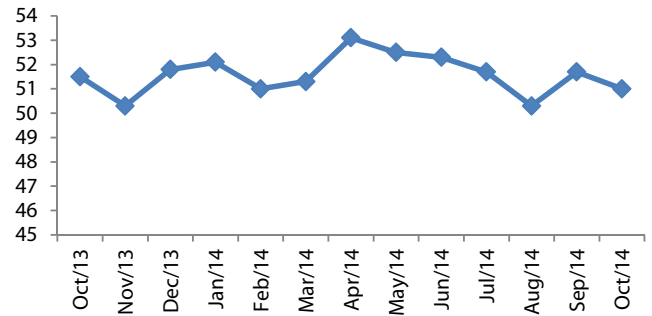
Sources: GSO. Rongviet Securities database

Graph 3: Monthly CPI



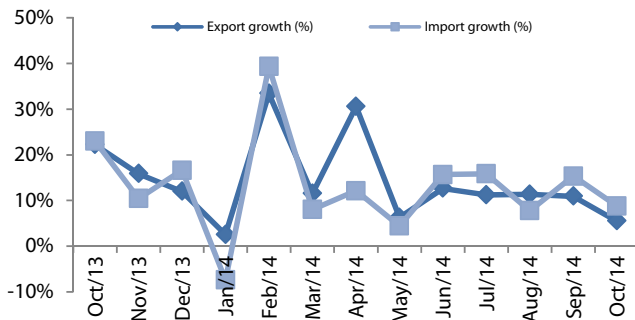
Sources: GSO. Rongviet Securities database

Graph 4: HSBC - PMI



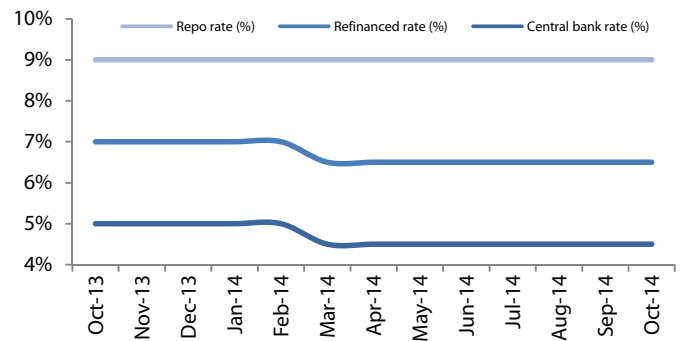
Sources: GSO. Rongviet Securities database

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
PGS - 2015: A year of challenge	Nov 24 th ,2014	Neutral - Long term	37,800
NBB - A turning point with City Gate Towers	Nov 14 th ,2014	Buy - Long term	26,800
CMI-Project restarts spark new hopes	Nov 13 th , 2014	Monitor	
CNG - Potential growth from building materials industry's well-being	Nov 10 th , 2014	Accumulate – Long term	46,000
GMD - Positive developments from core businesses	Nov 7 th , 2014	Accumulate – Long term	44,400
BMP -Every cloud has a silver lining	Oct 30 th , 2014	Buy – Long term	87,700
SBA - Growth season ahead	Oct 24 th , 2014	Buy – Intermediate term	14,500

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	11/11/2014	0-0.75%	0-2.5%	11,815	11,868	-0.45%
VEOF	11/11/2014	0-0.75%	0-2.5%	10,367	10,283	0.82%
VF1	20/11/2014	0.20% - 1.00%	0.50%-1.50%	22,293	22,545	-1.12%
VF4	12/11/2014	0.20% - 1.00%	0.00%-1.50%	10,357	10,338	0.18%
VFA	14/11/2014	0.20% - 1.00%	0.00%-1.50%	7,567	7,570	-0.03%
VFB	14/11/2014	0.30% - 0.60%	0.00%-1.00%	11,949	11,950	-0.01%
ENF	07/11/2014	0.00% - 3.00%		10,996	10,504	4.. 8%
MBVF	13/11/2014	1%	0%-1%	11,096	11,119	-0.21%
MBBF	12/11/2014	0-0.5%	0-1%	11,742	11,734	0.07%

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