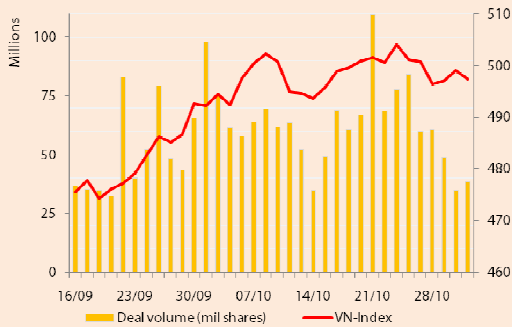
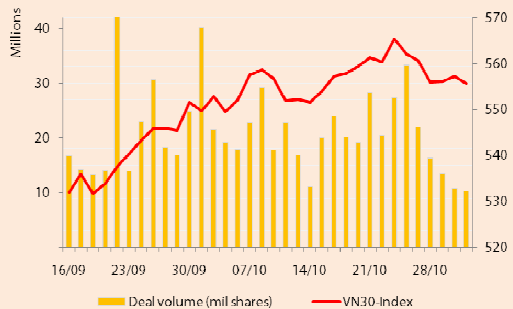


MARKET REPORT

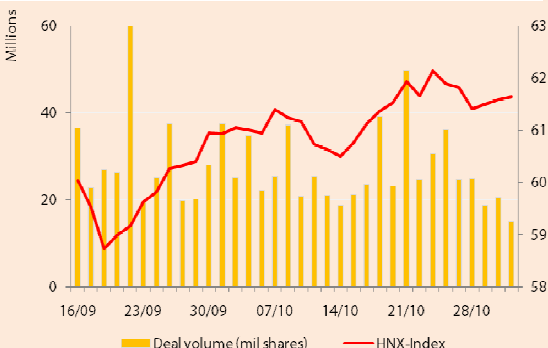
Index	VN-Index	VN30-Index	HN-Index
31/10/2013	497,41	555,56	61,64
Change (%)	-0,33%	-0,30%	0,10%



Liquidity	HSX	VN30	HNX
Deal Volume (share)	38.620.230	10.270.440	15.091.279
Total Volume (share)	43.344.990	13.912.020	15.762.696
Deal Value (VND bn)	523,42	260,02	144,73
Total Value (VND bn)	687,98	408,69	156,55



Foreign Activity	HSX	VN30	HNX
Foreign Buy (VND bn)	176,20	164,43	11,61
Foreign Sell (VND bn)	182,69	152,72	3,21
Foreign Net (VND bn)	(6,50)	11,72	8,40



SUMMARY:

- ❑ **VNIndex closed in red in the last session of October.**
- ❑ **FED decided to maintain pace of stimulus QE3 - FED decided to maintain pace of stimulus QE3**
- ❑ **PET: Petrosetco – 3Q Result Update**

Indices closed mixed together today. VNIndex lost 0.33% to 497.41 points, VN30 downed 0.3% to 555.56 points while HNIndex up 0.09% to 61.64 points.

Liquidity moved in different directions on both exchange. HSX had about 38.6 million shares changed hands, worth of VND523.42 billion (+5.7%). On the other hand, HNX had about 15 million shares changed hands, worth of VND144.73 billion (-19.6%). CTG had more put-through transactions today with 2 million shares changed hands.

VNIndex closed in red in the last session of October; however it up 0.97% compared to the end of last month. Just traded in green in the initial time then quickly fell to under reference level and stood still to the end and closed at the lowest point. We saw some negative points today as liquidity decreased and foreigners turned to be net sellers in recent days after 22 consecutive sessions of being net buyers. Group VN30 also declined with only 7 gainers and demand on these stocks fell compared to that of previous sessions, currently there are about 10 million shares traded only.

Top net bought stocks today were DPM (+VND 9.26 billion), MSN (+ VND 9 billion) and HAG (+VND 7.33 billion) and they were kept at good price and acted as pillars for VNIndex. The market fluctuated in narrow range then industries did not change so much, too.

HNXIndex was better than VNIndex due to demand on midcaps. In the contrast of HSX, HNXIndex keep its green color today thanks to midcaps and the number gainers was also higher than losers. Besides, key stocks closed at unchanged price as ACB, KLS, PVX, SHB, VCG, etc made this index more positive.

MARKET COMMENTARY

At the Federal Open Market Committee (FOMC) Meeting (29-30/10), **FED decided to maintain pace of stimulus QE3 once again and they also needed more proofs about US economic recovery.** In the meantime, SBV also organized the Talk to look back the monetary policy in the period 2011-2013. At the Talk, most economic experts gave the same commentary about the results, including: (1) stabilizing exchange rate, (2) restraining inflation, (3) dividing the gold influence on monetary policy and (4) reducing interest to suitable level. We totally agree with those commentaries, in addition, we think there must be many things to be done in the future in order to protect the current belief on monetary policy, which is handling bad debts and restructuring weak credit institutions.

Recently, SBV has just been unanimous in the increasing room for foreign investors at weak banks. The new point of the Draft is the strategic foreigners' ownership percentage is limited to 20% registered capital of banks (current legislation is 15%). In special case, the Prime Minister will decide the foreigners' ownership (could be maximized to 49%) in order to restructure weak credit institutions. Besides, accordingly to media, VAMC bought about 7,807 billion dong NPLs in Oct, 2013 and their NPLs' purchasing activities got a lot of attention from foreign investors. Such as,

the encouraging policy for foreign investors to participate in restructuring of banking system has some progress and supports for economic restructuring. However, the result will depend on many factors, in which, debt trading market, regulations for valuating collaterals and the level of foreigners' interest are still be questioned.

Markets closed Oct with weak trading session. The trading of investors narrowed was not stemmed from specific negative reason but from the lacking of supporting information or strong fulcrum to push index move higher. In Oct, indices increased slightly about 1% compared to the closing level of Sep, besides, 500 points is still an important resistant level of VNIndex. The shining points of this month were the rotation of cash flow at speculative stocks and the activeness of foreign investors.

Tomorrow session (1/11), Purchasing Managers Index (PMI) for Nov will be announced by HSBC could be a positive fulcrum for indices' recovery. However, we think this is not important enough to make investors became more positive. *Therefore, we encourage investors to observe until there are new forces (increasing foreigners' ownership at JSC or credit growth or TPP) which help indices escaped from the current sideways situation.*

PET – Petrosetco - Samsung techs distribution short of expectation

We have released the brief report of Q3 business results on the **Petrosetco (PET – HSX)** with main ideas as follows: (to see the full information please visit the website www.vdsc.com.vn)

Revenue saw steady growth, Samsung smartphones made up 37%. PSD, a subsidiary of PET, started to distribute Samsung Galaxy Note 3 as early as September 2013. The tech toy has enjoyed positive feedbacks from consumer such that its sales contributed significantly to PET's revenue growth. We was told that revenue from Samsung smartphones reached more than VND1,100 bn in 3Q and around VND2,800 bn in the 9-month period. These figures do not look so bright when compare to the guidance of VND4,000-4,500 bn however.

Profit growth trailed that of revenue growth due to gross margin shrinkage.

Despite satisfying sales of Samsung smartphones, a trimmed gross profit margin subdued Q3 profits. On the one hand, this is due to harsher competition among smartphone seller, especially in the current period of hinder consumer spending. On the other hand, the commission policies offered by Samsung may not have been very accommodating.

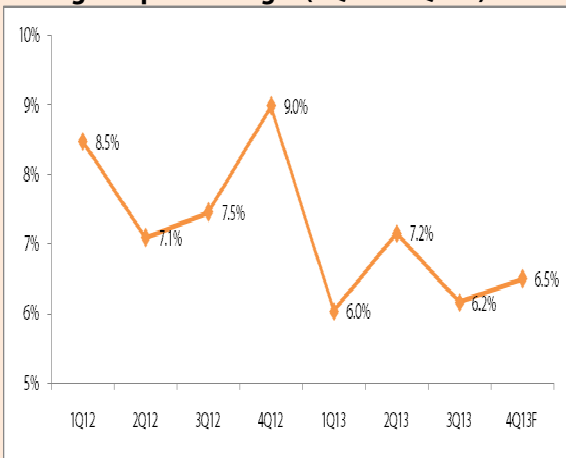
In our knowledge, the share of commission for distributors like PET is based on progressive levels of committed revenue. We believe that the gross profit margin will be better once the sales reaches VND4,500 bn or above. However, it seem unlikely that PET to generate VND1,700 bn of sales from Samsung hi-tech products in the fourth quarter.

Consolidated profit-before-tax increased while earnings for parent company's shareholders dropped due to levied minority interest.

9-month consolidated PBT reached VND225.6 bn, up by 1.6% y-o-y and fulfilling 94% of PET's annual target. NPAT, however, was posted just VND133 bn, down by 5.3% y-o-y and completing only 73% of the fiscal year's guidance due to higher minority interest.

Revenue growth expected to sustain, gross margin recovery not seen for Q4 and FY2014.

PET's gross profit margin (1Q12 – 4Q13F)





We expect ICT product sales to reach the peak in the fourth quarter. Revenue from Samsung smartphone distribution is forecasted around VND1,350 bn, up by 20% q-o-q, taking into account the effect of holiday shopping. The results of the other segments such as oil and gas services and building management, on the other hand, are expected to be little changed.

PET now has a plan to re-negotiate its commission policy with Samsung, said the company's representative. However, we fear that the talks may stretch over multiple periods, and if the revenue contributions of the other, higher-margin segments do not grow quickly enough to compensate for the limited margin of smartphone sales, the overall margin may be maintained as low as ~6.5%.

Revenue and NPAT in Q4 are forecasted at VND3,233.4 bn and VND47.4 bn, up by 10% q-o-q and 17% q-o-q, respectively. For the whole FY2013, revenue may reach as high as VND11,637 bn and PAT ~VND180.8 bn, translating into forward EPS of VND2,589. The forecasted revenue is 29% higher than initially planned by the company while PAT may not vary substantially, driven by the trimmed profit margin and the increased minority interest following PSD's selective placement to its staffs to lower PET proportionate ownership to comply with the listing requirement of the Hanoi Stock Exchange.

PSD to double share capital, PET has no plan to divest.

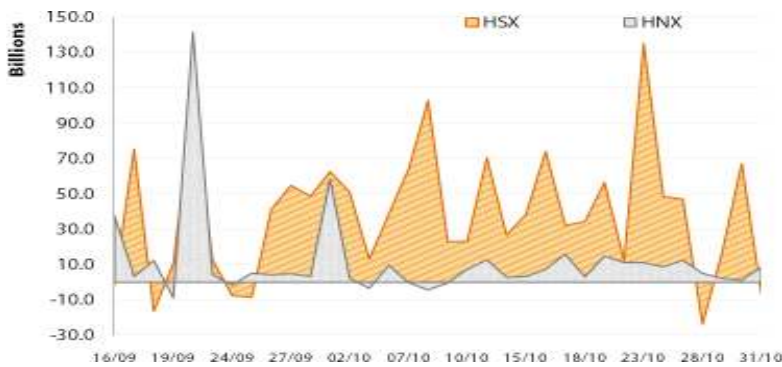
On October 22, 2013, PSD held an extraordinary AGM, wishing to bring the plan to double its current capital via new share issuances for existing shareholders in front of its equity owners. The issuance aims firstly to enhance the stock's liquidity and secondly to prepare the capital for widened network and product diversification. PET has not planned to withdraw from PSD thus far, and the company intends to maintain its ownership at the current level (79.87%), implying that it will also involve as a buyer in PSD's coming offerings.

Outlook and valuation

PET has seen satisfying growth in revenue since its switch to distributing Samsung products. It is easy to notice how the company's working capital turnovers have been improving ever since. The cash balance has been kept consistently above VND1,000 bn, which has, in turn, facilitated an unvarying stable dividend policy (the lowest dividend recorded in recent years was 16%). All these makes up the main attractions of PET. Nevertheless, the drop of profitability last quarter may have not satisfied the company's shareholders.

Although PET is looking to re-negotiate its commission policies with Samsung, we revise down our forecast for next year gross profit margin as an act of prudence, which results in a reduction in the projected EPS for FY2014. We also adjust our reference PER down to 7.6x, from 8.0x in our last update. As the result of the combined changes, the target price for PET is revised down to VND23,400 per share from VND25,000 per share in the previous report. We recommend NEUTRAL for PET.

FOREIGNERS TRADING



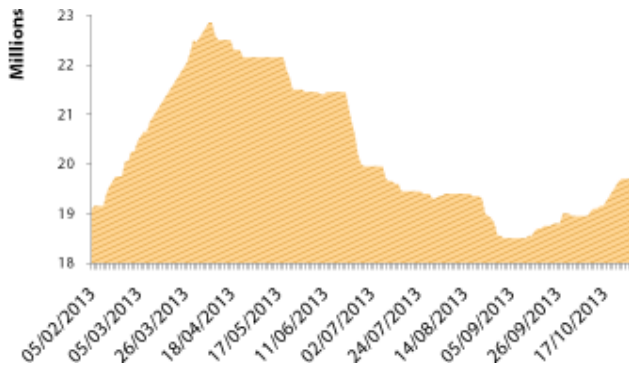
Today, foreigners turned to be net sellers on HSX and continued to be net buyers on HNX with net sold and bought value were VND 6.5 billion and VND 8.4 billion respectively. Top net bought stocks were DPM, MSN and HAG; on the other hand, APC and PVD were top net sold stocks.

VNM ETF is currently trading at discount about -0.71% while FTSE ETF is trading at discount about -0.33%. Number of outstanding shares of both ETFs remained unchanged.

ETFs VIEW

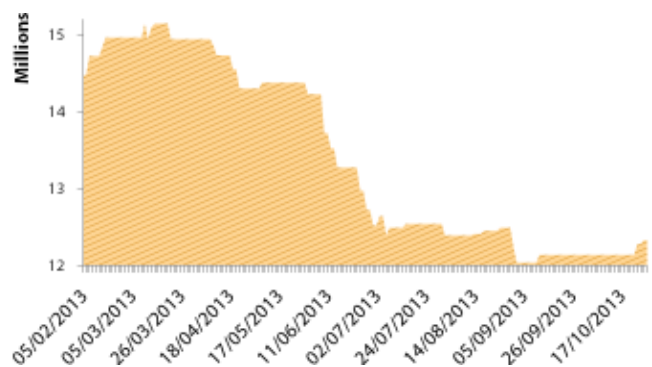
Market Vector Vietnam ETF

Shares Out

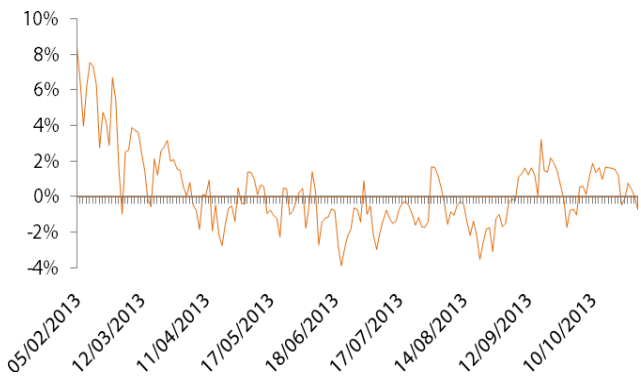


FTSE Vietnam ETF

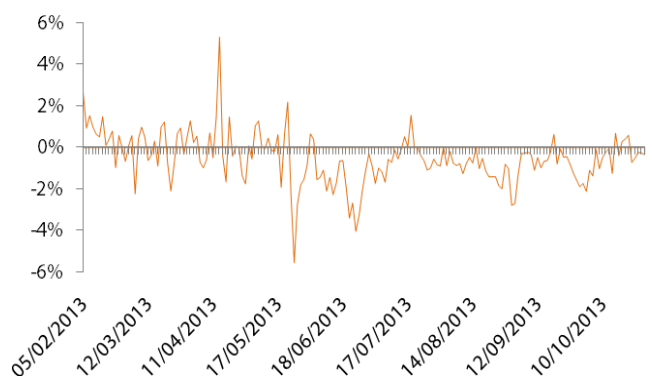
Shares Out



Difference between Price and NAV (%)



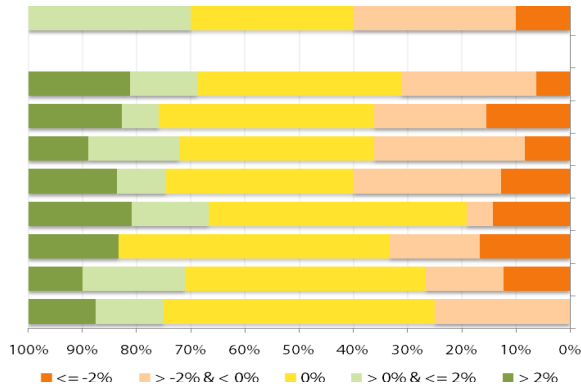
Difference between Price and NAV (%)



MARKET SUMMARY

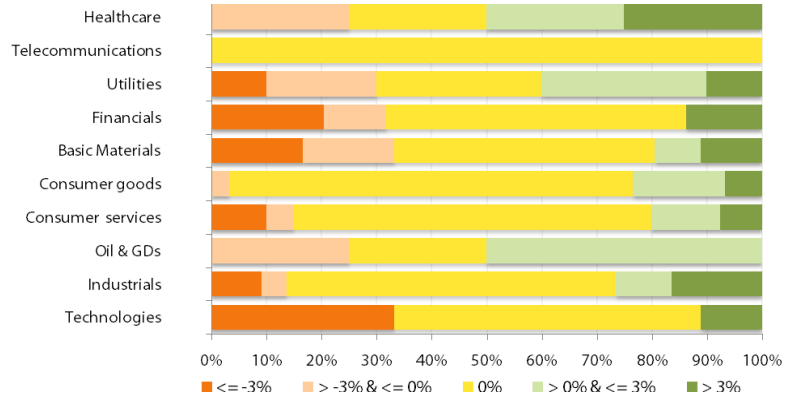
HSX

Sector Performance



HNX

Sector Performance



Top 05 Gainers/Losers

Ticker	Price	(+) %	±% (T-10)	Ticker	Price	(+) %	±% (T-10)
PDN	28,4	6,77%	6,37%	DTT	4,5	-6,25%	-26,23%
DXV	3,4	6,25%	6,25%	PNC	4,6	-6,12%	-2,13%
LHG	7,5	5,63%	-20,21%	ALP	3,4	-5,56%	-2,86%
ACL	9,5	5,56%	11,76%	RIC	5,5	-5,17%	-1,79%
ITD	5,9	5,36%	37,21%	LAF	6,0	-4,76%	27,66%

Top 05 Gainers/Losers

Ticker	Price	(+) %	±% (T-10)	Ticker	Price	(+) %	±% (T-10)
GLT	15,4	10,00%	14,07%	KSQ	3,8	-9,52%	-20,83%
SDP	4,4	10,00%	22,22%	VCM	10,6	-9,40%	8,16%
VE4	8,8	10,00%	0,00%	BKC	9,7	-9,35%	-4,90%
SDC	6,7	9,84%	11,67%	DNY	8,0	-9,09%	-8,05%
AMV	8,0	9,59%	53,85%	LBE	10,0	-9,09%	-5,66%

Top 05 Leading Volume/Value

Ticker	Volume (1.000 share)	Weight (%)	Ticker	Volume (VND billion)	Weight (%)
ITA	2,53	6,6	REE	34,54	6,59
HQC	1,73	4,0	HPG	20,91	3,99
DIG	1,55	3,8	FCN	19,96	3,81
REE	1,33	3,5	DIG	18,06	3,45
VNE	1,27	3,4	DPM	17,82	3,40

Top 05 Leading Volume/Value

Ticker	Volume (1.000 share)	Weight (%)	Ticker	Volume (VND billion)	Weight (%)
PVX	1.414	9,37	FIT	21,45	14,82
FIT	1.340	8,88	PGS	19,86	13,72
SHB	1.176	7,79	PVS	13,68	9,45
VCG	853	5,65	KLF	10,34	7,15
SCR	821	5,44	VNR	10,32	7,13

Top net buy/sell value by Foreign (VND bn)

Ticker	Buy Value	Sell Value	Net buy	Ticker	Buy Value	Sell Value	Net Sell
DPM	11,56	2,30	9,26	APC	-	14,98	(14,98)
MSN	12,32	3,32	9,00	PVD	2,51	14,71	(12,21)
HAG	9,84	2,51	7,33	ITA	-	6,76	(6,76)
VIC	7,44	1,76	5,68	BVH	0,30	4,89	(4,59)
NTL	5,47	-	5,47	STB	6,37	9,26	(2,89)

Top net buy/sell value by Foreign (VND bn)

Ticker	Buy Value	Sell Value	Net buy	Ticker	Buy Value	Sell Value	Net Sell
SHB	5,88	0,24	5,64	DBC	-	1,49	(1,49)
PVS	3,33	0,27	3,06	PGS	0,05	0,62	(0,57)
NTP	1,17	-	1,17	PVI	-	0,13	(0,13)
PLC	0,17	-	0,17	NLC	-	0,09	(0,09)
NET	0,09	-	0,09	SCR	-	0,06	(0,06)


CORPORATE ACTIONS

Stock	Ex-right date	Record date	Event	Ratio	Year	Execute Date	Register Period	Transfer Period	Price
BBS	18/11/2013	20/11/2013	Cash payment	12%	2012	06/12/2013			
C32	15/11/2013	19/11/2013	Cash payment	12%	1-2013	19/12/2013			
HSG	06/11/2013	08/11/2013	Annual General Meeting 2014						
KHP	06/11/2013	08/11/2013	Cash payment	5%	1-2013	19/11/2013			
LCD	06/11/2013	08/11/2013	Unusual shareholder meeting 2013						
NHC	06/11/2013	08/11/2013	Cash payment	10%	2013	19/11/2013			
PSD	06/11/2013	08/11/2013	Cash payment	30%	2013	25/11/2013			

Sources: HSX, HNX

INVESTMENT CERTIFICATION INFORMATION

Dealing day	Fund Name	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
21/10/2013	VFF	0.75%	0.75%	10,299	10,293	0.06%
25/10/2013	VFB	-	0.50%	10,126	10,102	0.24%
25/10/2013	VFA	1.00%	0.50%	7,193	7,160	0.46%

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