

DECEMBER

18

THURSDAY

**ADVISORY DIARY**

- **SVI – Stable!**
- **Oil & Gas stocks – Changing color!!!**

**SVI – Stable!**

RongViet Research had a discussion with Bien Hoa Packaging Company (**SVI-HSX**), which is one of the three largest packaging manufactures in the Southeast region. According to the company, 2014 is a difficult year of the packaging industry because consumer demand in the country has not recovered and affected the orders of business. Due to the close relationship with the consumer sector, along with the recovery of the economy, industry experts said the packaging industry would be brighter in 2Q2015.

About estimated business results in 2014, the business volume in 2014 is estimated to increase slightly (~ 10-15%), compared with the 2014 guidance. Meanwhile, the influences by those factors such as (1) purchasing power and demand reduction, and (2) the reduction of average selling price to enhance the competitiveness; annual estimated earnings fell slightly compared with the plan at beginning of 2014.

**Table: SVI Earning result**

	9M2014	9M2013	Change
<b>Revenue</b>	795.16	701.37	13.4%
<b>PAT</b>	53.33	50.8	5.0%
<b>NPAT</b>	44.35	49.591	-10.6%
<b>Gross profit margin</b>	13.8%	15.1%	-8.9%

Source: SVI

“Oil & Gas stocks – Changing color!!!”

*The new plants project*

At the end of 2013, Phase 1 of Carton Packaging Factory in My Phuoc Industrial Park (Binh Duong) put into operation. This year, the plant is working at ~ 70% of design capacity (~ 30,000 tons / year) and expected to operate at full in 2015. Also, the company said it will continue deployment Phase 2 of My Xuan plant with a design capacity of ~ 15,000 tons per year. In this phase, the plant will operated in parallel with progress by simply installing machinery.

*Attractive dividends but low liquidity*

Along with the stable operation of the business, SVI is an attractive stock for risk aversion investors with the EPS of about VND6,000/share. However, the liquidity of the stock remained low because Dong Nai Food Industrial Corporation (DOFICO) holds about 53.72% of SVI shares. In addition, DOFICO will begin to divest from SVI since 2018. At that time, we expect that the liquidity of SVI will improve dramatically, which will create opportunities for investors who are interested in SVI.

**Oil & Gas stocks – Changing color!!!**

It seems that Vietnam securities market was so excited in today’s trading session, especially oil & gas stocks. Some positive information related to Asian Development Bank (ADB) raising Vietnam’s economic growth forecast in 2014 and 2015 and the recovery of oil price and ruble. At the same time, the US Federal Reserve has said that it “can be patient” over any decision to raise interest rates. Due to the PVD’s announcement buying treasury shares with a volume of 2 million shares, many Oil & Gas stocks reached at ceiling prices in today’s session. Market sentiment also

seems positive in today's trading session.

Due to having the same nature, we made a comparison between two plummets in "East Sea" event and yesterday trading session. As the results shown, if comparing with the average liquidity of the previous 20 sessions, the liquidity of the market on the date May 8, 2014 suddenly rose (+ 59.3%) compared with an increase of 35.47% yesterday. Besides, the recovery in "East Sea" event significantly supported by the coming back of cash flows from the foreigners, which is somehow in contrast to the reaction of foreigner investors these days. Continued the trend since September, foreign investors remained net sellers of about VND96.5 billion today (approximate to net sales yesterday). If counting using accumulation method, the foreign net sold ~VND2,600 billion (which accounted only about 33% of the highest accumulation in July. Although the recent contribution of foreign investors in Vietnam stock market has been insignificant, the action of turning their back even in recent sale offs may create our concerns.

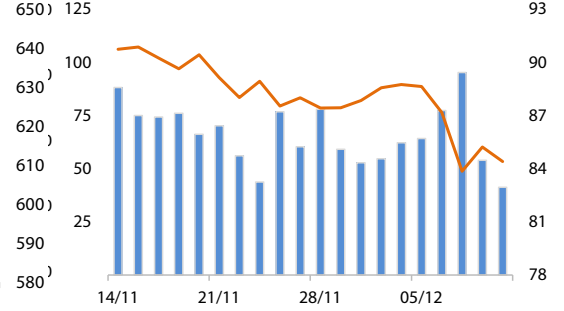
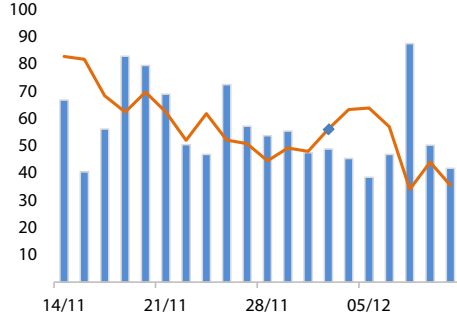
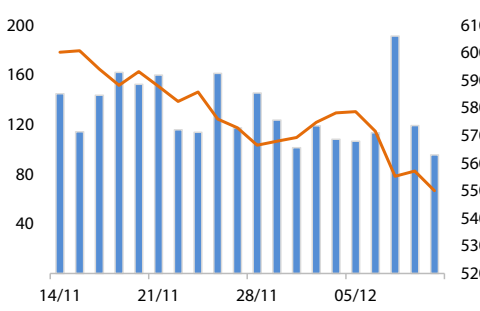
Some investors gotten cheap stocks in last session could probably be so excited of today's recovery. However, we always share with investors that when they decide to "catch a falling knife", they must prepare their sentiment and finance for "continuous drop of the knife" or market will be improved as shape of U or W.

**Diem My Tran**

+ 84 8 6299 2006 | Ext: 344

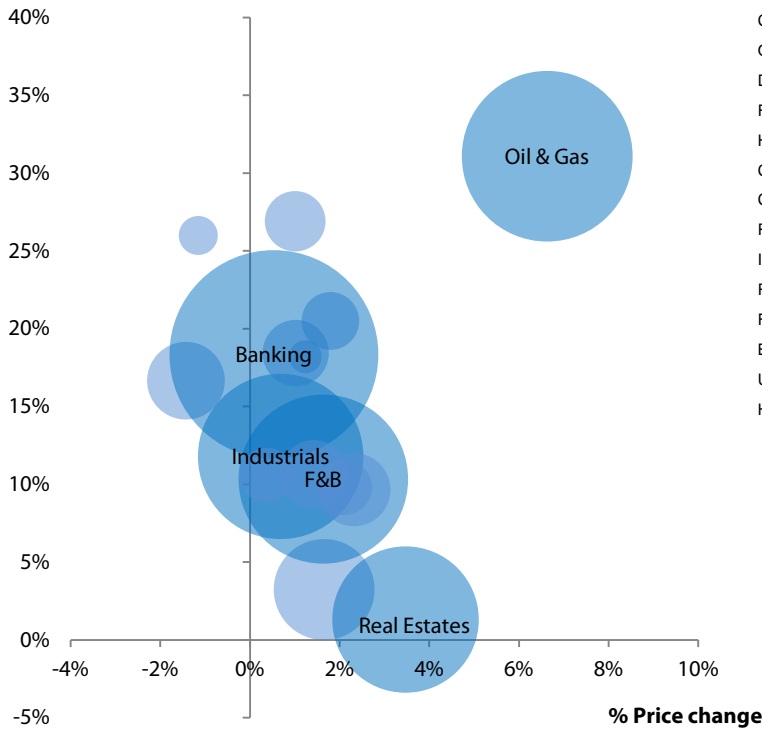
[my.ttd@vdsc.com.vn](mailto:my.ttd@vdsc.com.vn)

**VNINDEX 1.97% 528.45    VN30 1.61% 578.88    HNXINDEX 2.59% 82.70**



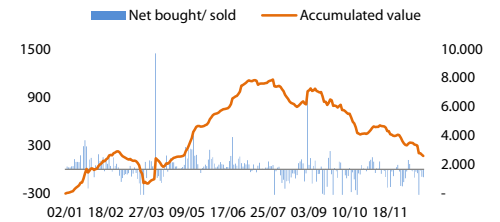
**Industry Movement**

**Industry ROE**

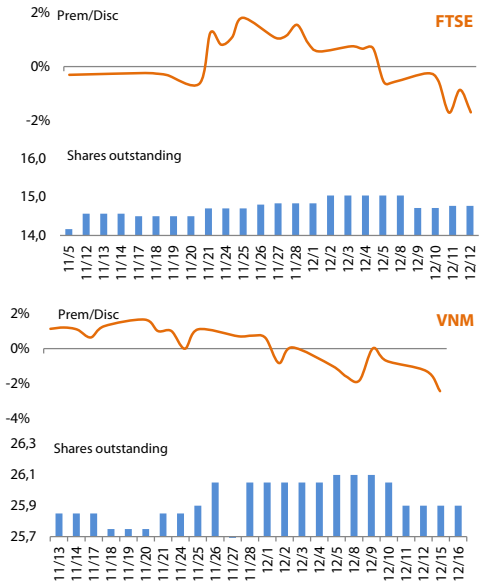


Industry	% change
Technologies	1.8%
Industrials	0.7%
Constructions	1.7%
Oil & Gas	6.6%
Distribution	1.2%
F&B	1.6%
Household Goods	2.1%
Cars & Parts	-1.2%
Chemicals	1.0%
Resources	1.0%
Insurances	-1.4%
Real Estates	3.5%
Financials	2.3%
Banking	0.5%
Utilities	1.4%
Healthcare	0.4%

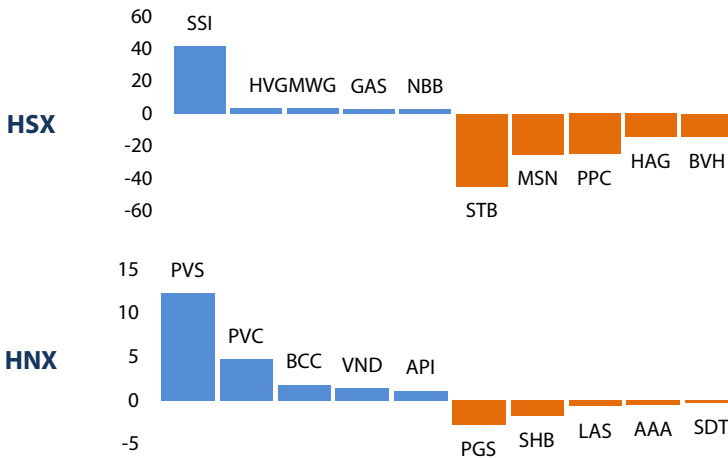
**Foreign Investors Trading**



**ETF**



**Top net bought/sold by foreigners (VND bn)**



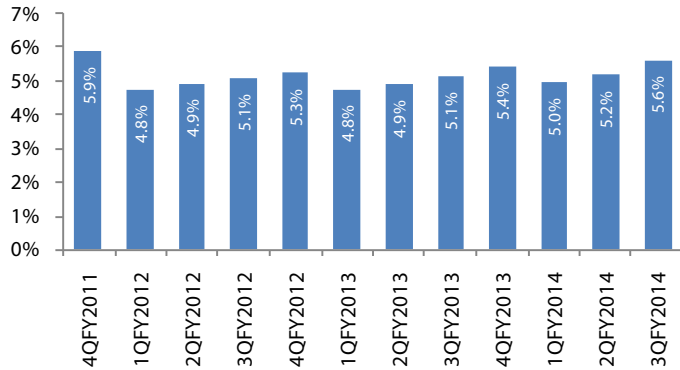
**Top Active**

Ticker	Price	Volume	% price change
FLC	10.7	13.03	7.0%
PVT	15.0	6.92	2.0%
ITA	8.0	5.72	2.6%
OGC	8.0	4.53	2.6%
VHG	12.3	4.36	7.0%

Ticker	Price	Volume	% price change
KLF	12.9	8.73	7.5%
PVS	26.1	4.40	9.7%
PVX	5.4	4.00	8.0%
AAA	14.1	3.21	-9.6%
SHB	8.2	2.48	1.2%

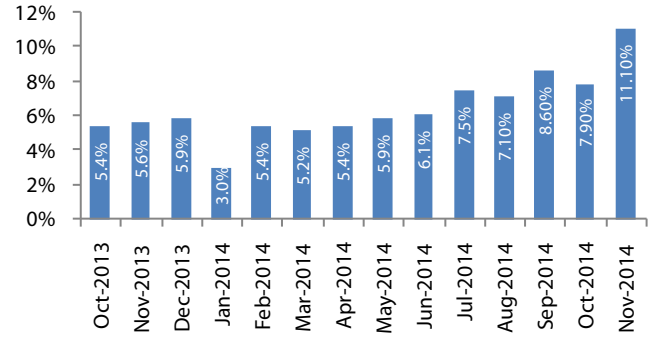
**MACRO WATCH**

**Graph 1: GDP Growth**



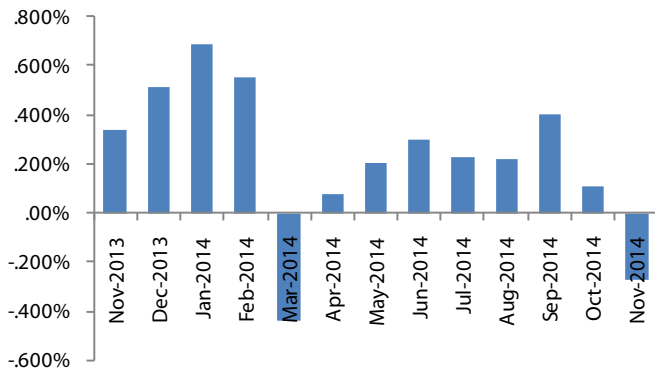
Sources: GSO. Rongviet Securities database  
(\* Comparison price in 1994)

**Graph 2: IIP**



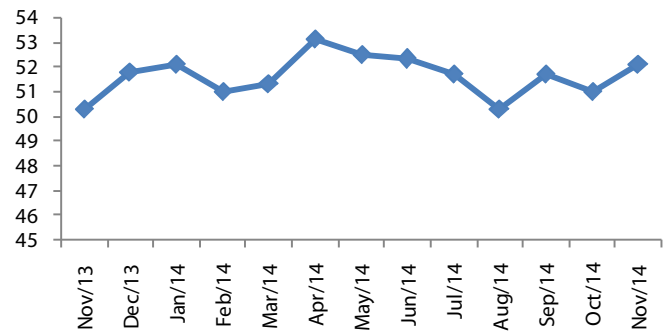
Sources: GSO. Rongviet Securities database

**Graph 3: Monthly CPI**



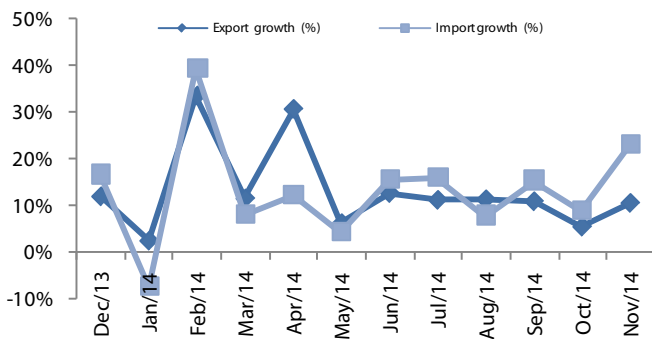
Sources: GSO. Rongviet Securities database

**Graph 4: HSBC - PMI**



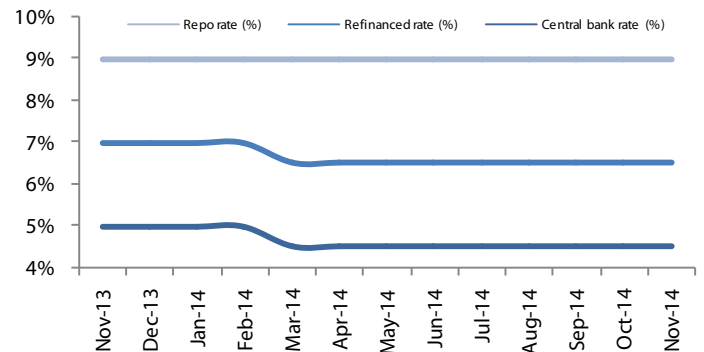
Sources: GSO. Rongviet Securities database

**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
PCT – Restructuring	Dec 11 <sup>th</sup> , 2014	Monitor	
FPT - Growth driver expected from retails	Dec 3 <sup>rd</sup> , 2014	Accumulate – Long term	61,000
GDT - Still being on upward trend	Nov 27 <sup>th</sup> , 2014	Accumulate – Long term	41,300
PGS - 2015: A year of challenge	Nov 24 <sup>th</sup> , 2014	Neutral - Long term	37,800
NBB - A turning point with City Gate Towers	Nov 14 <sup>th</sup> , 2014	Buy - Long term	26,800
CMI-Project restarts spark new hopes	Nov 13 <sup>th</sup> , 2014	Monitor	

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	09/12/2014	0%-0.75%	0%-2.5%	11,378	11,576	-1.71 %
VEOF	09/12/2014	0%-0.75%	0%-2.5%	9,800	9,815	-0.15%
VF1	12/12/2014	0.2% - 1%	0.5%-1.5%	20,890	21,111	-1.05%
VF4	10/12/2014	0.2% - 1%	0%-1.5%	9,102	9,565	-4.84%
VFA	12/12/2014	0.2% - 1%	0%-1.5%	7,373	7,443	-0.95%
VFB	12/12/2014	0.3% - 0.6%	0%-1%	11,841	11,832	0.08 %
ENF	05/12/2014	0% - 3%	0%	10,889	10,807	0.76%
MBVF	04/12/2014	1%	0%-1%	11,135	11,060	0.68%
MBBF	10/12/2014	0%-0.5%	0%-1%	11,766	11,768	-0.02%

**ANALYSTS**
**Truc Doan – Head of Research**

+ 84 8 6299 2006 | Ext: 314

[truc.dtt@vdsc.com.vn](mailto:truc.dtt@vdsc.com.vn)

**Ngoc Chung**

+ 84 8 6299 2006 | Ext: 318

[ngoc.cb@vdsc.com.vn](mailto:ngoc.cb@vdsc.com.vn)

**Lam Nguyen**

+ 84 8 6299 2006 | Ext: 318

[lam.ntp@vdsc.com.vn](mailto:lam.ntp@vdsc.com.vn)

**Ha My Tran**

+ 84 8 6299 2006 | Ext: 348

[my.tth@vdsc.com.vn](mailto:my.tth@vdsc.com.vn)

**Tai Nguyen**

+ 84 8 6299 2006 | Ext: 315

[tai.ntp@vdsc.com.vn](mailto:tai.ntp@vdsc.com.vn)

**Diem My Tran**

+ 84 8 6299 2006 | Ext: 344

[my.ttd@vdsc.com.vn](mailto:my.ttd@vdsc.com.vn)

**Trien Le**

+ 84 8 6299 2006 | Ext: 339

[trien.lh@vdsc.com.vn](mailto:trien.lh@vdsc.com.vn)

**Tam Bui**

+ 84 8 6299 2006 | Ext: 348

[tam.bt@vdsc.com.vn](mailto:tam.bt@vdsc.com.vn)

**Huong Pham**

+ 84 8 6299 2006 | Ext: 317

[huong.pt@vdsc.com.vn](mailto:huong.pt@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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