

**APRIL**

**07**

**TUESDAY**

**ADVISORY DIARY**

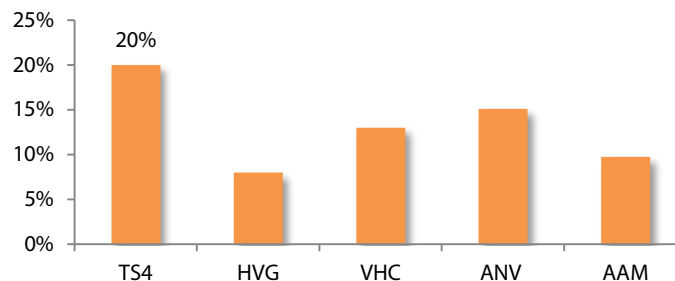
- **Cautious plans of many companies in pangasius sector**
- **Market is waiting for clearer signal**

**Cautious plans of many companies in pangasius sector**

Yesterday, our analyst attended AGM of TS4 – HSX. We highly concern it due to stable financial ratio (gross margin, ROE, good dividend yield). Its farming are of approximately 60 ha in Dong Thap province is able to provide completely material for 2 processing plants with the capacity of 20,000 tons/year. Thanks to large own farming area, gross margin remains high ratio (20% in 2014) compared with others

Notably, in AGM, the solution of the land in Long Hau – Long An Industrial Park, transferring with the book value or co-operating investment, had approved. With the initial plan, constructing cold storage and processing plant of 20,000 m2, a foreign partner proposed to cooperate through importing food to distribute in domestic market, as company representative. If the deal is reached, the performance will improve. However, as our analyst view, late 2015 or 2016 may be the time for finalizing this deal

**Exhibit: Gross profit margin of some companies in pangasius sector**



Source: RongViet Research

2014 business result showed a relatively high growth rate. Particularly, revenue and NAT were respectively VND1,088 billion (+ 7.03%) and VND21.02 billion (+ 47%). According to the director, seafood industry especially pangasius continues to face challenges in 2015. Thus, TS4’s plan is quite prudent with revenue and NPT respectively at VND1,140 billion and VND22 billion, increased of 4.8% over the same period.

In the recent company visit, our analyst had a chance to discuss with a number of fishery companies. To evaluate pangasius in 2015, most companies believe that many problems such as unfair price competition, quality barrier, risks from anti-dumping duty in the US have still existed. Therefore, difficulties still remain; as a result, prudent plans have been set. We statistic 2015 business plan in many companies as the table below and recognize differentiation among them.

*“Market is waiting for clearer signal”*

**Table: 2014 business result and 2015 business plan of some companies in pangasius sector**

No	Chartered capital (VND billion )	Company	2014 business plan		2014 actual result		2015 business plan		+/- with 2014		Note	Dividend	Method payment of dividends
			Sale	NPBT	Sale	NPBT	Sale	NPBT	Sale	NPBT			
1	126,3	AAM	500	12	447	11	420	9	-6%	-18%	Actual business plan	10%	Cash
2	660	ANV	2,700	108	2,780	61	3,000	100-120	8%	64%	Expected business plan	9%	Cash
3	1,892	HVG	14,000	700	15,205	450	20,000	800	32%	78%	Actual business plan	30%	Cash and shares
4	161	TS4	1,100	33	1,088	21	1,140	22	5%	5%	Actual business plan	8%	Cash
5	924	VHC	5,500	245	6,300	587	7,500	704	19%	20%	Estimated	N/A	N/A
6	855	IDI	3,069	142	2,126	101	2,259	145	6%	39%	Expected business plan	15%	Cash
7	255	AGF	3,000	120	2,841	90,3	2,250	75	-21%	-17%	Actual business plan	20%	Shares
8	141	ABT	550	80	449	90	500	80	11%	-11%	Actual business plan	40-60%	N/A

Source: RongViet Research

(1) In term of small and medium business such as AAM, TS4, AGF, 2015 plan are launch based on the negative outlook of pangasius industry. Particularly, by excluding provision expenses for bad debt (~VND 60 billion) from Ukraine, in 2014, net profit before tax is equal to VND 121 billion. Thus, in comparison to 100 120 VND billion, ANV haven't had much change in business activity. In terms of IDI, the actual plan for 2015 hasn't been officially announced. However, in discussion, the growth is coming from (1) enhancing farming area through associating with famers, which improves gross margin ~2% (2) fish oil business comes into operation stably, increasing revenue

(2) For the leading firms such as VHC & HVG, we found that the growth is positive with large autonomy and good farming areas. In addition, VHC can take advantage of the anti-dumping tax of 0% to boost the exports in the US market. Thus, the earnings growth forecast for 2015 is good. Meanwhile, HVG plan encroaching shrimp industry through increased ownership percentage in more than 51% FMC.

Therefore, business activities are currently changing in order to adapt to the challenges of the industry. In fact, most of the firm enhance self-supply, production capacity and diversify product lines through raising tilapia or shrimp (ANV, TS4 and HVG).

**Van Banh**

+ 84 8 6299 2006 | Ext: 324

[Van.btt@vdsc.com.vn](mailto:Van.btt@vdsc.com.vn)

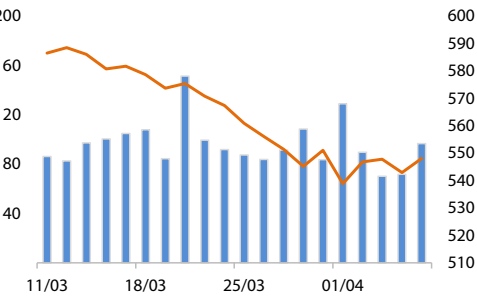
**Market is waiting for clearer signal**

After a quiet first trading day of the week, today market recovered somewhat both in liquidity and absolute indices' points. Noticeably, strong buying demand in the afternoon session caused both indices to close in green. Also, a rally of the majority of VN30's tickers attributed to VN-Index gaining 5 points as it closed. Notably, HAI reached ceiling price (+6.37%) with spectacular total trading value of VND64.3 billion after the announcing rosy 1Q2015 results of VND210 billion (+81%) in revenue and VND9.9 billion (12 times y-o-y). In another development, the draft between western powers and Iran over the nuclear program issue last week is thought to have not produced any impact yet on the world oil supply. This information helped WTI oil price increase USD 3 (+ 6.11%), reaching USD52.14 /barrel possibly having some positive impact on oil related tickers such as PVD, PVC, PVS, PXS.

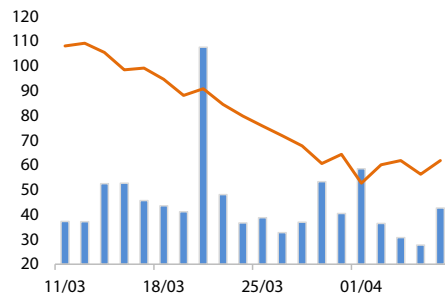
Regarding to liquidity, total matching volume reached VND1,162 bn, up by 39% compared to that of yesterday session. Inspire of its increasing, we think today's liquidity is quite weak. In the other hand, foreign investors sold with net value of VND54 bn in both exchanges after four consecutive net bought sessions. In which, they were net bought at VIC, BID, CTG... and net sold at PVD, CII, STB and GAS. Net sold of foreign investors and low liquidity is two reasons making reservation about our forecast that the market indices will plod up the slope in an up-and-down mixture

trend. Therefore, investors should disburse in a shrink session to get a better price.

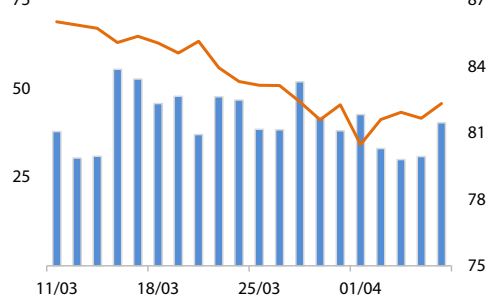
**VNINDEX** 0.95% **548.11**



**VN30** 0.87% **577.69**

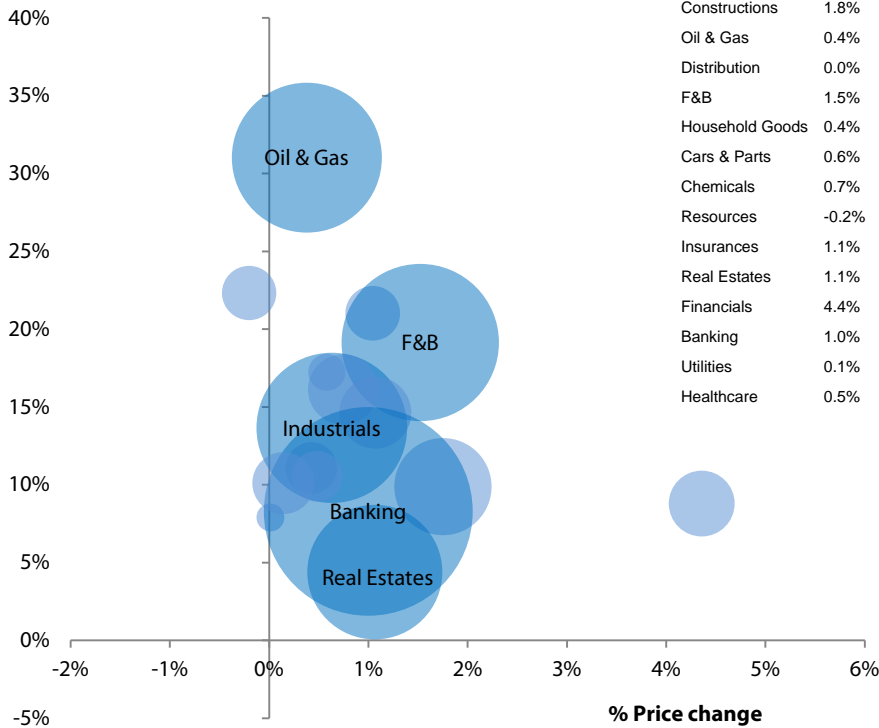


**HNXINDEX** 0.82% **82.33**

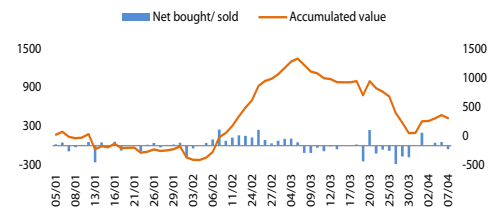


**Industry Movement**

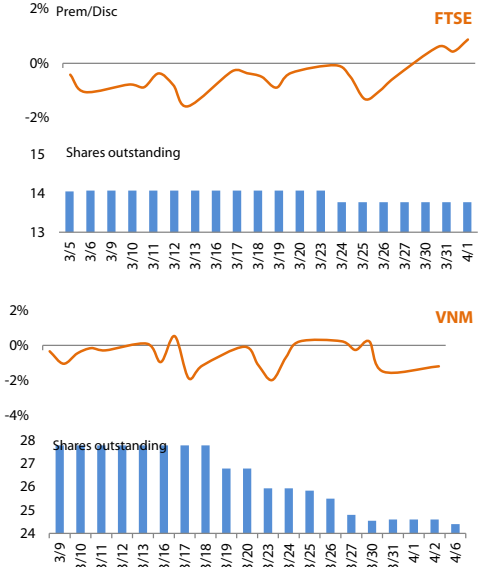
**Industry ROE**



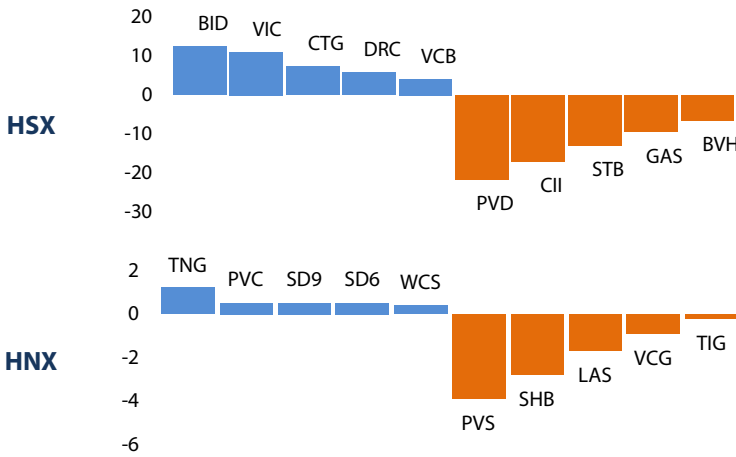
**Foreign Investors Trading**



**ETF**



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



**Top Active**

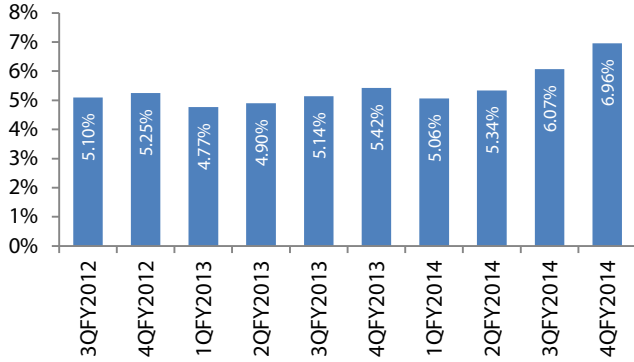
Ticker	Price	Volume	% price change
FLC	10.7	11.51	3.9%
CII	19.3	9.74	4.3%
HAI	11.1	6.01	6.7%
CTG	17.3	4.40	0.6%
OGC	4.7	3.28	0.0%

Ticker	Price	Volume	% price change
KLF	9.1	10.14	5.8%
SHN	2.9	5.12	7.4%
FIT	16.9	4.21	-0.6%
SHS	8.1	1.43	2.5%
SHB	8.5	1.38	1.2%

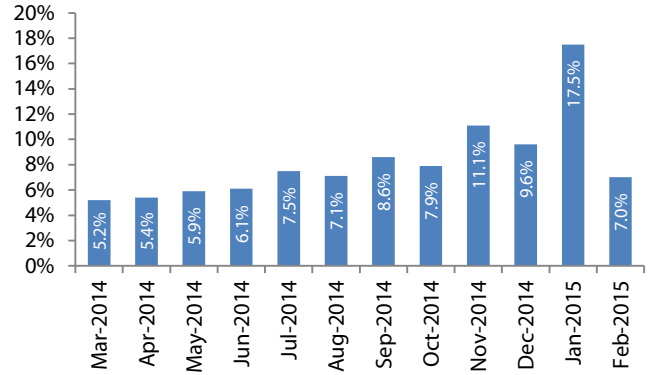
**MACRO WATCH**

**Graph 1: GDP Growth**



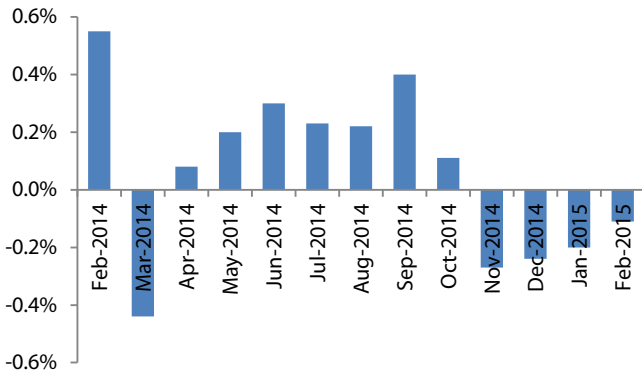
Sources: GSO. Rongviet Securities database  
(\* Comparison price in 1994)

**Graph 2: IIP**



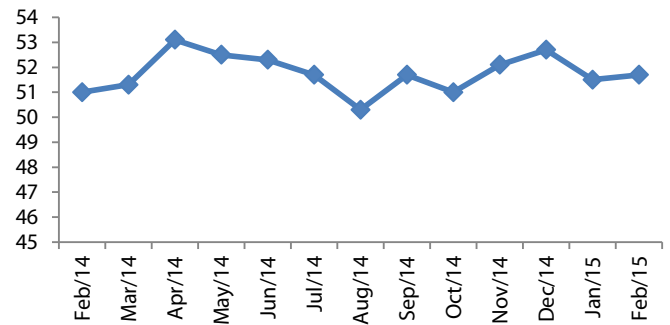
Sources: GSO. Rongviet Securities database

**Graph 3: Monthly CPI**



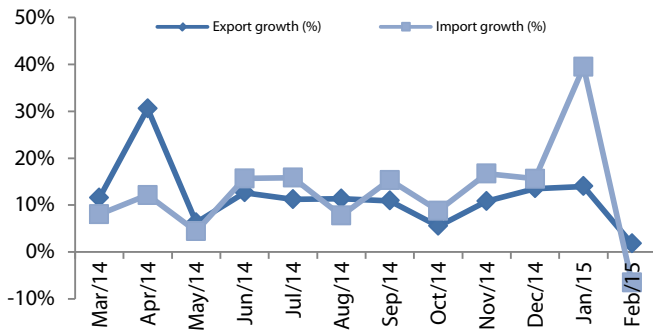
Sources: GSO. Rongviet Securities database

**Graph 4: HSBC - PMI**



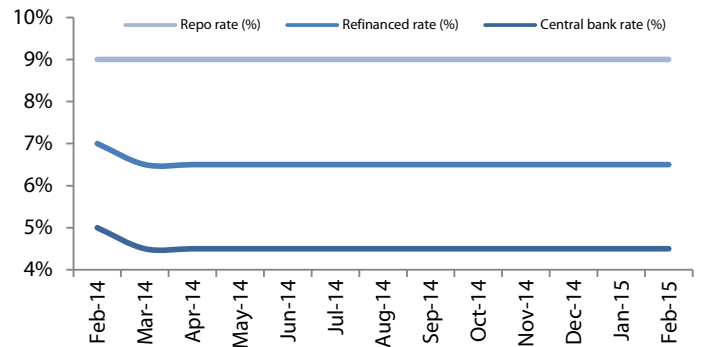
Sources: GSO. Rongviet Securities database

**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
PAC- Opportunities along with challenges	Jan 14 <sup>th</sup> , 2015	Accumulate – Intermediate term	27,500
HMH - Positive outlook from various supporting factors	Jan 06 <sup>th</sup> , 2015	Accumulate – Long term	33,800
DPM - Tail wind from crude oil	Dec 26 <sup>th</sup> , 2014	Buy – Intermediate term	36,100
VNM - 2014 - At the pit stop	Dec 19 <sup>th</sup> , 2014	Accumulate – Long term	110,000
PCT – Restructuring	Dec 11 <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	31/03/2015	0%-0.75%	0%-2.5%	11,757	11,728	0.25%
VEOF	31/03/2015	0%-0.75%	0%-2.5%	9,357	9,667	-3.21%
VF1	03/04/2015	0.2% - 1%	0.5%-1.5%	20,683	20,433	1.23%
VF4	01/04/2015	0.2% - 1%	0%-1.5%	8,989	9,187	-2.15%
VFA	03/04/2015	0.2% - 1%	0%-1.5%	7,087	7,197	-1.54%
VFB	03/04/2015	0.3% - 0.6%	0%-1%	12,152	12,205	-0.43%
ENF	27/03/2015	0% - 3%	0%	10,764	10,851	-0.80%
MBVF	26/03/2015	1%	0%-1%	11,028	11,093	-0.59%
MBBF	25/03/2015	0%-0.5%	0%-1%	12,062	12,040	0.18%

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

+ 84 8 6299 2006 | Ext: 355

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

**Hoang Nguyen**

+ 84 8 6299 2006 | Ext: 328

[Hoang.nh@vdsc.com.vn](mailto:Hoang.nh@vdsc.com.vn)

**Lam Nguyen**

+ 84 8 6299 2006 | Ext: 323

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

**Tuan Huynh**

+ 84 8 6299 2006 | Ext: 326

[Tuan.hm@vdsc.com.vn](mailto:Tuan.hm@vdsc.com.vn)

**Ha My Tran**

+ 84 8 6299 2006 | Ext: 319

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

**Tai Nguyen**

+ 84 8 6299 2006 | Ext: 319

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

**Diem My Tran**

+ 84 8 6299 2006 | Ext: 320

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

**Van Binh**

+ 84 8 6299 2006 | Ext: 324

[Van.btt@vdsc.com.vn](mailto:Van.btt@vdsc.com.vn)

**Trien Le**

+ 84 8 6299 2006 | Ext: 325

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

**Tam Bui**

+ 84 8 6299 2006 | Ext: 324

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

**Huong Pham**

+ 84 8 6299 2006 | Ext: 323

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

**Nam Huynh**

+ 84 8 6299 2006 | Ext: 321

[Nam.hk@vdsc.com.vn](mailto:Nam.hk@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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