

MAY

20

WEDNESDAY

ADVISORY DIARY

- **The growth of technical consumer goods remained positive**
- **The market has gradually regained its balance**

The growth of technical consumer goods remained positive

According to recently announced statistics from Gfk, revenue from technical consumer goods reached VND 36,000 billion, increased by 22.8% over the same period. This growth is relatively impressive compared to countries in the same region as Indonesia (-1.3%), Malaysia (-2.5%), Hong Kong (-6.1%), Singapore (-17.2%). Remarkably, in the technical consumer good segment, communication products (the key products of MWG) had the highest growth with the contribution of approximately 43% of revenue in Vietnamese technical consumer good market.

Despite of 20% growth which was recorded over the last 2 years, the growth rate of communication products in Q1/2015 remained optimistic. In Q1/2015, revenue in this segment increased by 26.2% y.o.y, higher by 2 percent than Q1/2014's growth (24.2%). Mobile phone segment had the largest contribution to this segment due to (1) the continuity of smart products consumption and (2) the increase in high-income population (in the middle to high class), with approximately 2 million people joining the middle class each year (according to the reports conducted by ANZ and market research company – Roy Morgan).

Besides, according to Gfk's report, segment relating to business products of consumer electronics enterprises (small domestic appliances, major domestic appliances, and consumer electronics) also remained positive growth at over 25% (y-o-y) in the first quarter of this year.

Table. Growth of main segments of technical consumer goods market in 2015Q1

	Q1/2015	% (y-o-y)
Consumer electronics (CE)	7,133	29.70%
Photography (PH)	426	43.90%
Major domestic appliances (MDA)	6,309	19.30%
Small domestic appliances (SDA)	1,161	17.40%
Information technology (IT)	5,145	8.70%
Telecommunication (TC)	15,704	26.20%
Office Equipment & Consumables	356	43.20%

Source: Gfk

“The market has gradually regained its balance”

With positive results of technical consumer goods market, the electronics technology retail business also maintained impressive growth rates in Q1, including the MWG. Accordingly, Q1 revenue of MWG reached VND5,515 billion (+ 57% yoy) and profit after tax reached VND231.5 billion (+ 39% yoy). In terms of revenue by product line, MWG has about 59% coming from the phone, 12% of electronics products, 12% from the laptop and the remaining 17% as accessories, SIM ... Proportion electrical products increased slightly compared with the end of 2014 thanks to good growth of dienmayxanh.com stores, with growth of existing stores (same store growth) than 20%.

The growth in technical consumer goods market is strong evidence for the continuing success of MWG this year. However, mobile devices' purchasing demand has carried seasonal factor with low sales witnessed in the 2Q and 3Q and strong sales in final quarter. Also, the second and third quarters are usually times when enterprise expenditure rises due to more resource committed in store expansion, sales system maintenance and more discount given. Therefore, 2Q and 3Q

revenue are hardly emulate the pace of 1Q sales growth. For 2015, we believe that MWG's business guidance of 30% growth in profits is achievable. So, adjusted EPS in 2015 is projected to reach 6,991VND, up 46% compared to 2014.

The market has gradually regained its balance

Following the rebound of yesterday session, both indices, today increased positively. VNIndex rose more than 13 points and HNIndex increased nearly 2 points. Optimistic sentiment spread throughout the market, with over 363 gainers against 91 decliners. At the same time, investors were more confident in trading, with trading value of nearly VND 2,200 billion, up 46% compared to an average of recent five sessions.

Stocks of securities firms had a positive session with most of them closing in ceiling prices, such as SSI, HCM, VND, AGR, VDS. That may come from some "rumors" about the possibility that the draft of loosen room for securities firms would be adopted in months. In addition, we found that speculative stocks have increased significantly in recent two sessions. In the group of speculative stocks, today session witnessed over 50% of them closed in ceiling price and 80% of them increased by over 4 %, such as HAR, FLC, FIT , VHG , KLF , TWO, HAP ...

In accordance with positive market sentiment, foreign investors have kept their net buying position, with net buying value of over VND110 billion on both exchanges. They focused on FPT, SSI, VND, GAS, HBC, and MWG.

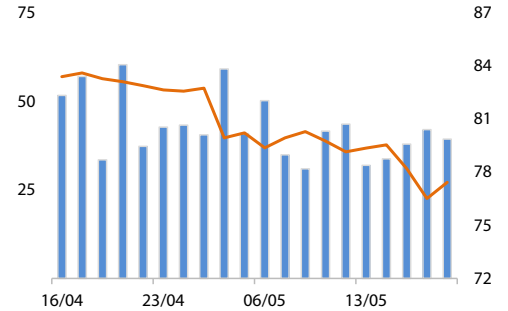
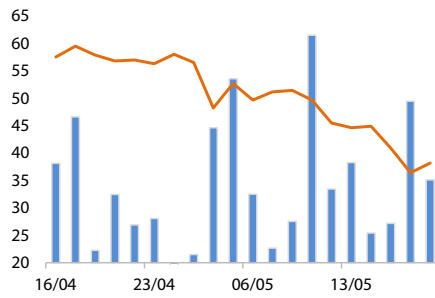
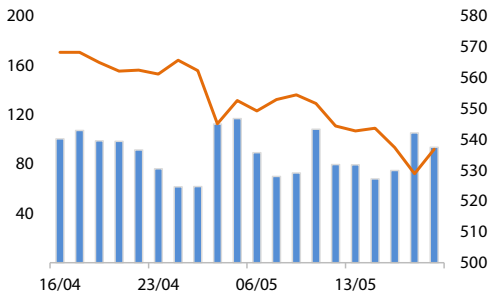
After more than two weeks of caution in investor's psychology, the market has gradually regained its balance with improvement in indices as well as liquidity. The market would probably face a technical resistance at 560 points but we remain our positive attitude to long-term prospects of the market. Therefore, investors who have accumulated good stocks under the dividend investment strategy should not take profits early.

Tuan Huynh

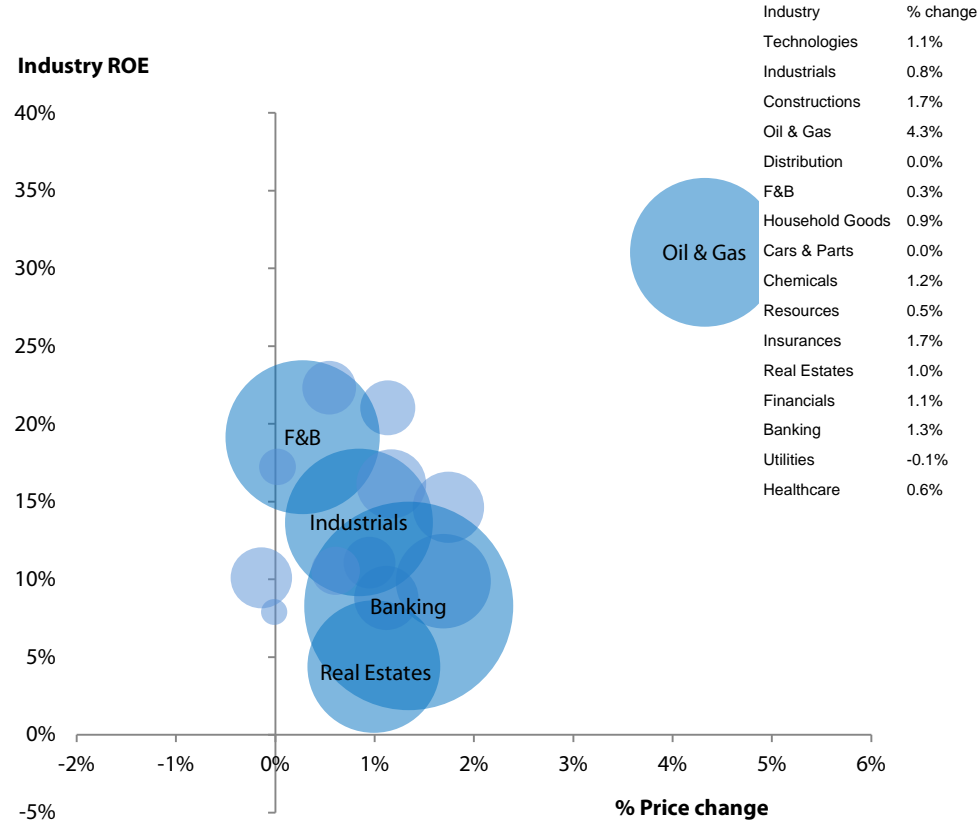
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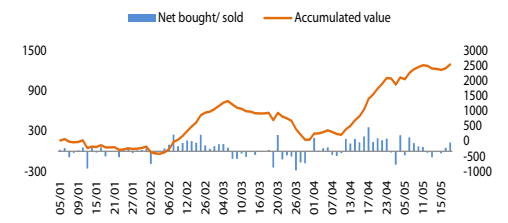
VNINDEX 2.47% 550.10 VN30 2.86% 572.34 HNXINDEX 2.45% 79.34



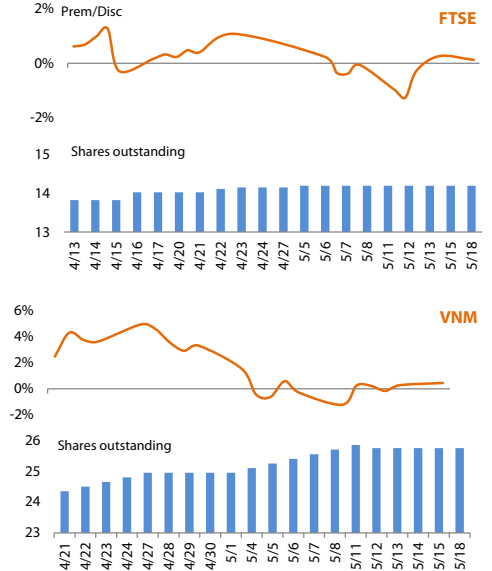
Industry Movement



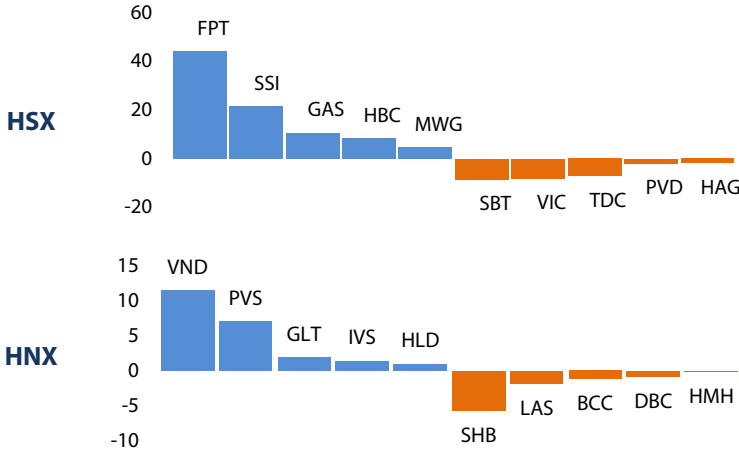
Foreign Investors Trading



ETF



Top net bought/sold by foreigners (VND bn)



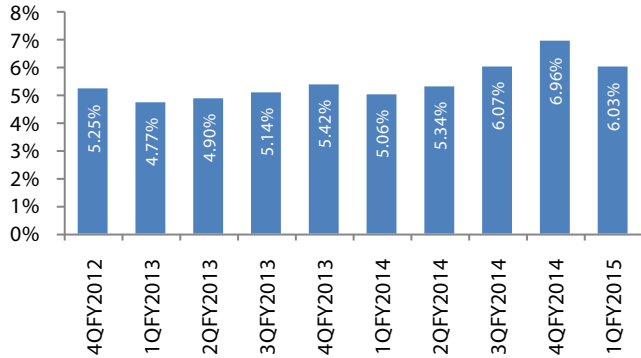
Top Active

Ticker	Price	Volume	% price change
OGC	2.5	12.89	0.0%
CII	22.3	10.54	5.2%
FLC	10.0	10.49	6.4%
DLG	8.0	6.12	6.7%
HQC	5.5	5.36	5.8%

Ticker	Price	Volume	% price change
KLF	7.2	8.67	9.1%
FIT	14.5	7.61	9.8%
SCR	6.6	3.48	4.8%
SHB	7.7	3.24	1.3%
PVX	3.9	2.74	8.3%

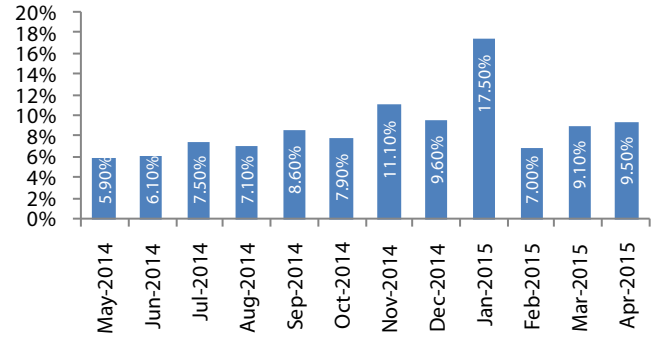
MACRO WATCH

Graph 1: GDP Growth



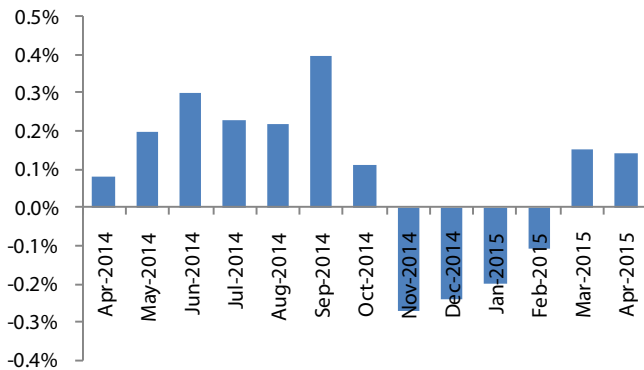
Sources: GSO. Rongviet Securities database
(*) Comparision price in 1994

Graph 2: IIP



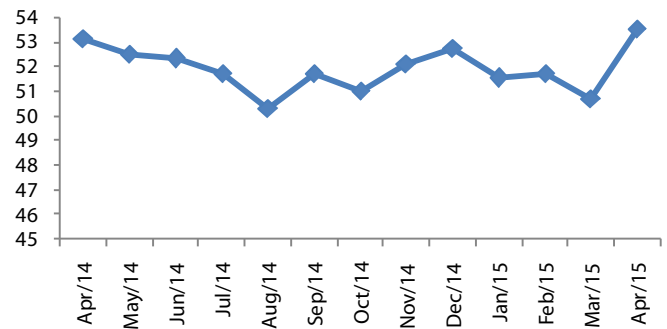
Sources: GSO. Rongviet Securities database

Graph 3: Monthly CPI



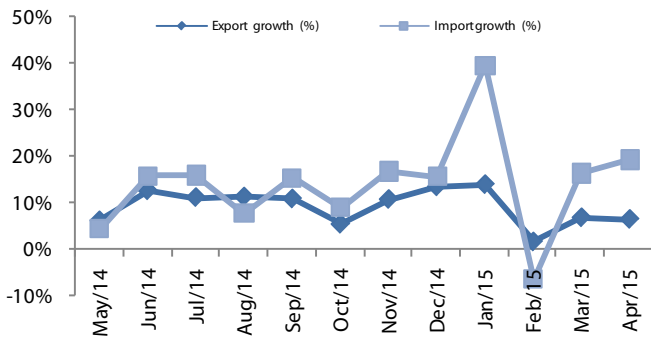
Sources: GSO. Rongviet Securities database

Graph 4: HSBC - PMI



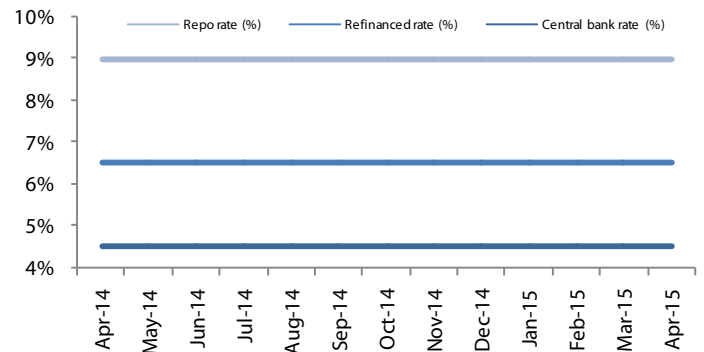
Sources: GSO. Rongviet Securities database

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
GSP- Heading for a new growth period	May 11 th , 2015	Accumulate – Long term	16,600
STK - Running on all cylinders	May 7 th , 2015		30,800
VPH - Emerging from its lowest	May 5 th , 2015	Buy – Intermediate term	15,300
DHC-Giao Long factory (phase 2) adds lights to the long-term plan	April 24 th , 2015	Buy – Intermediate term	26,200
PLC - A firm foothold	April 14 th , 2015	Accumulate – Intermediate term	40,000

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	05/05/2015	0% - 0.75%	0% - 2.5%	11,672	11,683	-0.09%
VEOF	05/05/2015	0% - 0.75%	0% - 2.5%	9,238	9,456	-2.31%
VF1	08/05/2015	0.2% - 1%	0.5%-1.5%	20,675	20,520	0.75%
VF4	06/05/2015	0.2% - 1%	0%-1.5%	8,978	9,098	-1.38%
VFA	04/05/2015	0.2% - 1%	0%-1.5%	7,154	7,168	-0.20%
VFB	08/05/2015	0.3% - 0.6%	0%-1%	12,126	12,133	-0.05%
ENF	04/05/2015	0% - 3%	0%	10,834	10,779	0.51%
MBVF	04/05/2015	1%	0%-1%	10,449	10,439	0.10%
MBBF	29/04/2015	0%-0.5%	0%-1%	12,075	12,064	0.09%

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