

*“The  
macroeconomic  
outlook for the  
first 6 months of  
2014”*

- **Vingroup will pay cash dividend with the rate of 21,49%**
- **The macroeconomic outlook for the first 6 months of 2014**

**Vingroup will pay cash dividend with the rate of 21,49%**

Following the impressive rise of last week’s trading session, VN-Index closed at 590.69 points, increased by 0.23%. Meanwhile, HNX-Index reached 78.92 points and continued downward trend by 0.65%. The spotlight of today’s session was VIC with leading role for VN-Index, reaching the ceiling price of VND71,000/share and liquidity of over 662,000 shares. The reason for this striking increase was due to the information from the company’s BOD proposing plan for paying dividend from accumulated profits after tax in 2013. Specifically, VIC would pay cash dividend with the rate of 21.49%, equivalent to VND2,149/share, and simultaneously pay bonus share with the rate of 48.7%. VIC is a real estate company whose largest market capitalization and low 3-year volatility. After huge projects such as: Time City, Royal City, Vinpearl Phu Quoc seems to be a lucrative project which brings out many profit for VIC.

Additionally, increased stocks in VN30 basket such as HAG, GMD, FPT, MSN were the major motivations for VN-Index sustaining “green” color. In terms of market movement in this trading week, in the perspective of RongViet Research, the indices will keep the positive trend from previous week but will not exceed the 600 point. One reason for this might be the cautious sentiment from investors with the purpose of waiting for 2Q2014’s business results in the following weeks of July.

**The macroeconomic outlook for the first 6 months of 2014**

The July Strategic Report of RongViet Research which has been recently published gave the overview on the macroeconomic of Vietnam for the first 6 months of 2014. Specifically, the business environment in the manufacturing sector of Vietnam continued to improve, reflected by the PMI of 52.3 points and the 10<sup>th</sup> consecutive months reaching positive growth. The economy was in recovery trend, reflected by the rise of GDP in the past 6 months by 5.18% over the same period. Nevertheless, the slight increase in CPI brought much concerns about the demand of economy and reflected weak purchasing power due to unsecure sentiment from people about the economy’s stability. RongViet Research believed the target of controlling inflation at 7% in this year would be feasible, reflected by the inflation indicator in the past 6 months only rose by 1.38%, the lowest in 13 years. Besides, import and export activities were showing positive sign for the first 6 months with trade surplus of approximately USD1.3 billion and export quota was evaluated as continually growing in following months.

In terms of banking, for the first 6 months of 2014, the liquidity of commercial banks remained stable with interbank lending rates fluctuated in narrow range and declined compared with the beginning of the year. The interbank exchange rate of VND/USD was adjusted by 1% with the purpose of supporting export activities and stimulating economy’s growth in the last 6 months. Furthermore, the SBV was facing with the problem of bad debt and credit growth. The NPLs rate of the whole banking system increased continuously from late 2013 to the present and by the end of April, NPLs reached 4.03% of the total credit. Whereas, the national credit growth for the first 6 months only increased by 2.3%, equivalent to about a half of credit growth over the same period.

In terms of **macroeconomic prospect for the last 6 months**, RongViet Research believes that

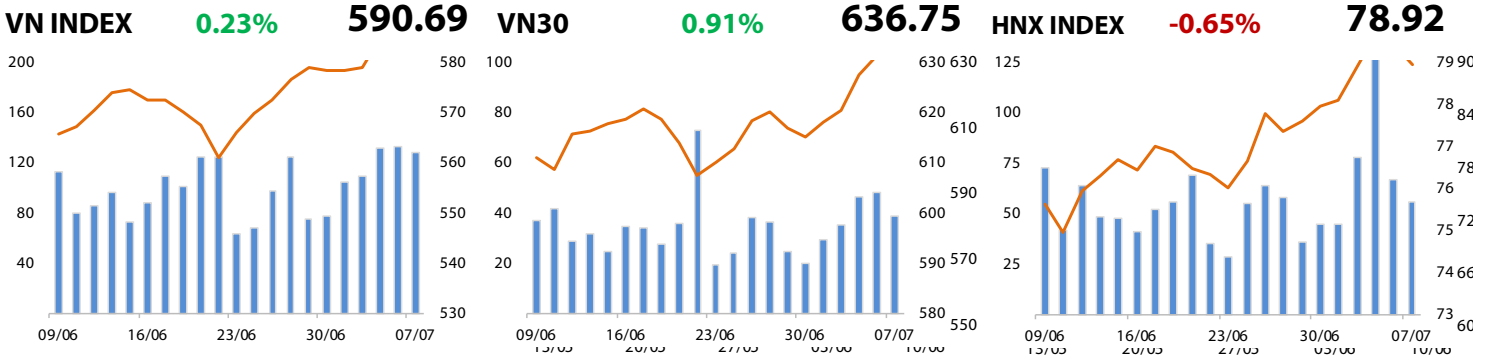
the restructuring process will have bright movement in 3 categories: restructuring investment through new policies such as Bidding Law; restructuring government enterprises through IPO; restructuring commercial banking system through the new circulars on dealing with debt and banking supervision.

**Thuy Nguyen**

+84 8 6299 2006 | Ext: 317

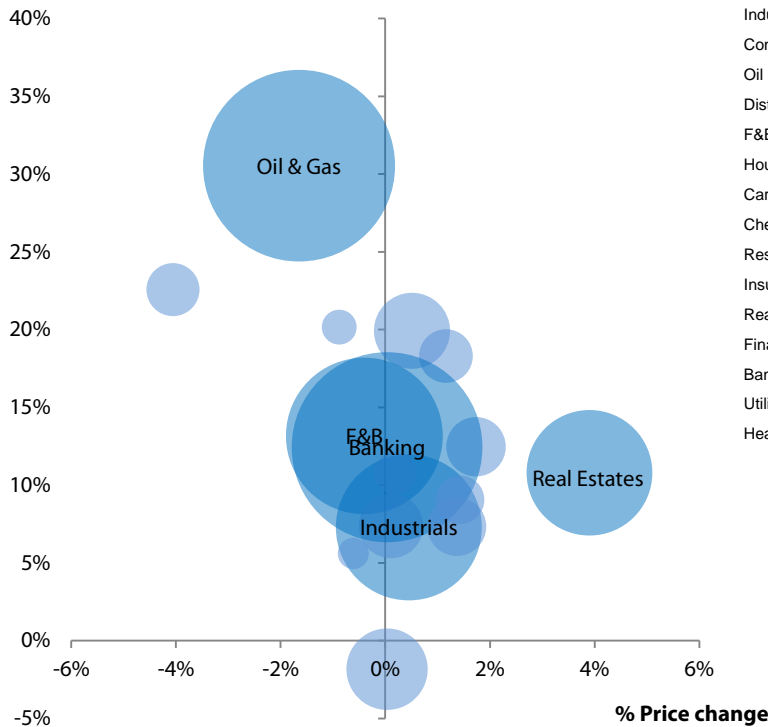
[thuy.nt@vdsc.com.vn](mailto:thuy.nt@vdsc.com.vn)

The July Strategic Report of RongViet Research also mentioned about typical industries which outperformed in June such as: the oil and gas industry with GAS and potential business results in 2Q2014 (PVS, PXS); the car and spares industry favored from the price reduction of natural rubber; the stocks related to the securities firms provided positive opportunities based on high level of liquidity compared to the corresponding period last year.

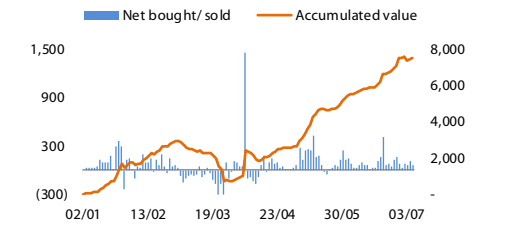


**Industry Movement**

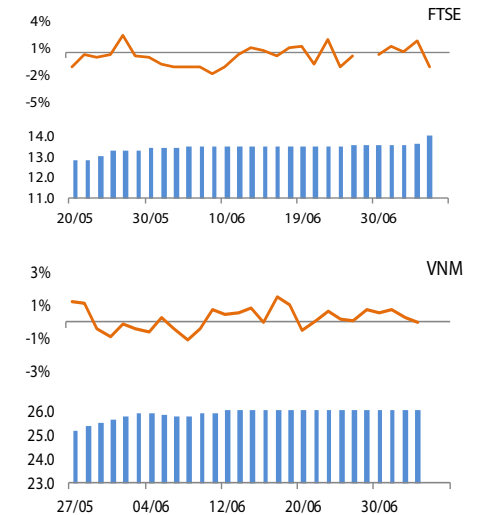
**Industry ROE**



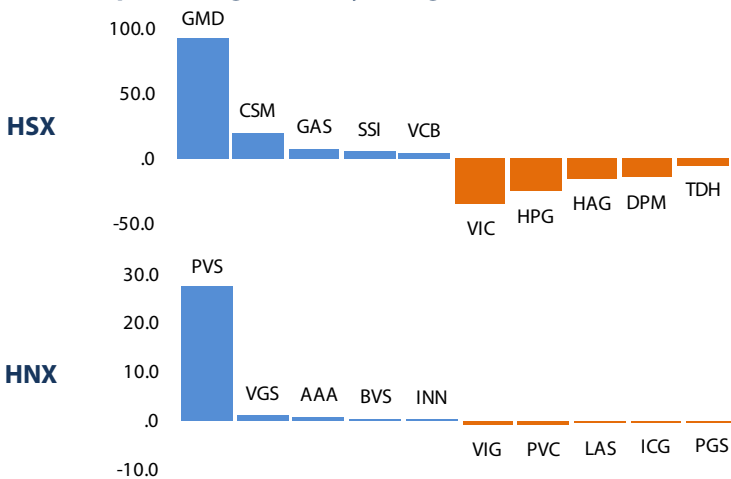
**Foreign Investors Trading**



**ETF**



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



**Top Active**

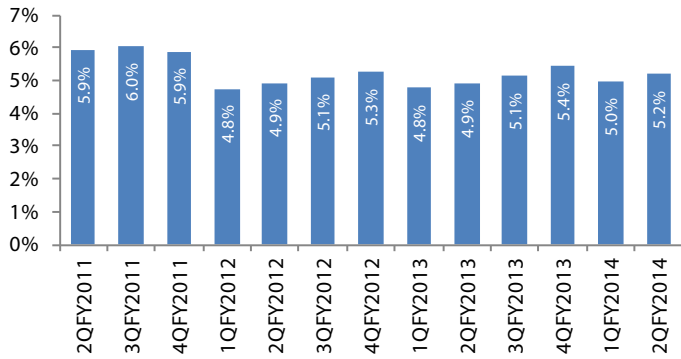
Ticker	Price	Volume	% price change
FLC	12.60	13.96	3.3%
HQC	8.50	6.78	0.0%
ITA	8.50	6.08	0.0%
HAG	25.50	4.45	2.0%
AVF	5.40	3.15	1.9%

Ticker	Price	Volume	% price change
SHB	9.20	5.73	-0.1%
SCR	9.20	5.19	0.3%
PVS	29.80	3.99	-0.6%
PVX	4.40	3.34	0.0%
KLF	11.60	3.22	0.6%

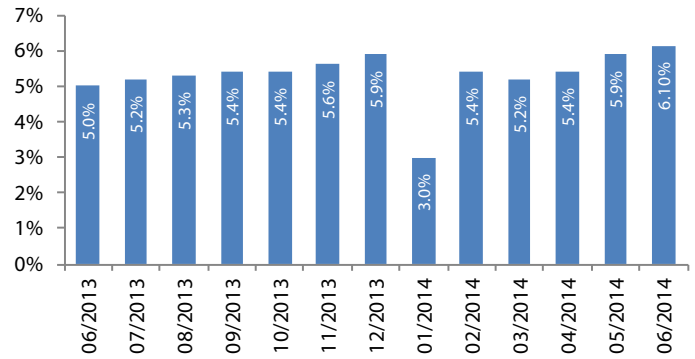
**MACRO WATCH**

**Graph 1: GDP Growth**



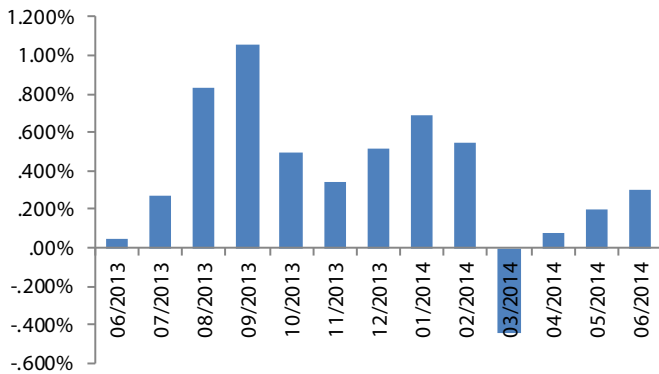
Sources: GSO, Rongviet Securities database  
(\* Comparison price in 1994)

**Graph 2: IIP**



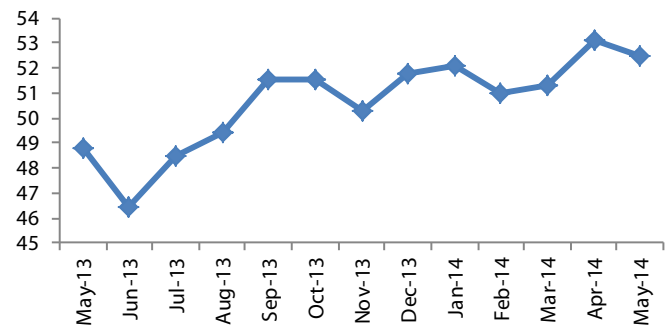
Sources: GSO, Rongviet Securities database

**Graph 3: Monthly CPI**



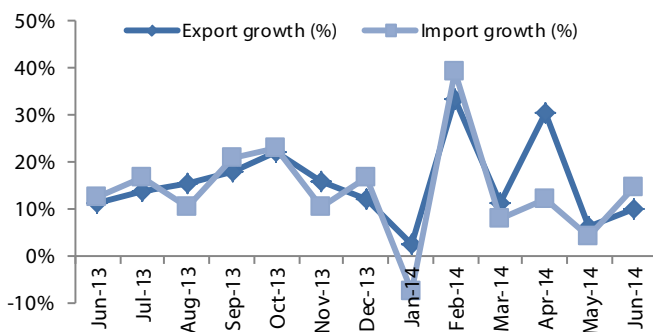
Sources: GSO, Rongviet Securities database

**Graph 4: HSBC - PMI**



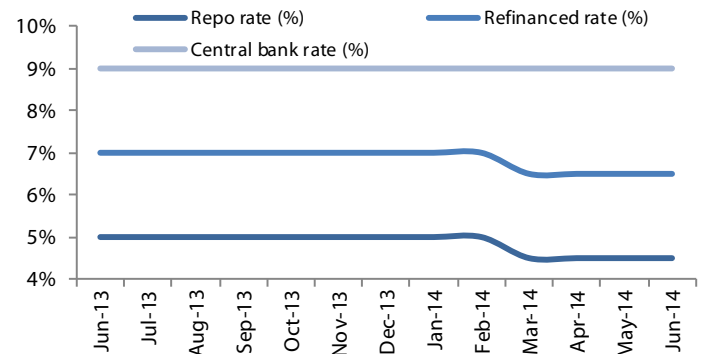
Sources: GSO, Rongviet Securities database

**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
DBC-Benefit from decline in material price	May 27 <sup>th</sup> , 2014	Buy – Long-term	28,000
FPT-Leaping revenue	May 27 <sup>th</sup> , 2014	Accumulate – Intermediate-term	51,600
NBB-Strengthened cash flows	May 07 <sup>th</sup> , 2014	Buy – Long-term	36,300
DIG-Reboot	April 28 <sup>th</sup> , 2014	Accumulated – Long-term	19,200
HPG-Sustainable Development	April 24 <sup>th</sup> , 2014	Accumulated – Intermediate-term	55,100

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	24/06/2014	0.75%	0.75%	10,833	10,790	0.4%
VF1	26/06/2014	0.20% - 1.00%	0.50%-1.50%	21,100	20,974	0.60%
VF4	25/06/2014	0.20% - 1.00%	0.00%-1.50%	9,527	9,545	-0.19%
VFA	26/06/2014	0.20% - 1.00%	0.00%-1.50%	7,377	7,358	0.25%
VFB	26/06/2014	0.30% - 0.60%	0.00%-1.00%	10,799	10,788	0.10%
ENF	20/06/2014	0.00% - 3.00%		9,785	9,789	0.04%

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

+ 84 8 6299 2006 | Ext: 314

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

**Thuy Nguyen**

+ 84 8 6299 2006 | Ext: 317

[thuy.nt@vdsc.com.vn](mailto:thuy.nt@vdsc.com.vn)

**Huy Nguyen**

+ 84 8 6299 2006 | Ext: 344

[huy.nt@vdsc.com.vn](mailto:huy.nt@vdsc.com.vn)

**Tai Nguyen**

+ 84 8 6299 2006 | Ext: 315

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

**My Tran**

+ 84 8 6299 2006 | Ext: 348

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

**Lam Nguyen**

+ 84 8 6299 2006 | Ext: 318

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

**Dung Tran**

+ 84 8 6299 2006 | Ext: 349

[dung.tt@vdsc.com.vn](mailto:dung.tt@vdsc.com.vn)

**Tam Bui**

+ 84 8 6299 2006 | Ext: 348

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



This report is prepared in order to provide information and analysis to clients of Rong Viet Securities only. It is and should not be construed as an offer to sell or a solicitation of an offer to purchase any securities. No consideration has been given to the investment objectives, financial situation or particular needs of any specific. The readers should be aware that Rong Viet Securities may have a conflict of interest that can compromise the objectivity this research. This research is to be viewed by investors only as a source of reference when making investments. Investors are to take full responsibility of their own decisions. VDSC shall not be liable for any loss, damages, cost or expense incurring or arising from the use or reliance, either full or partial, of the information in this publication.

The opinions expressed in this research report reflect only the analyst's personal views of the subject securities or matters; and no part of the research analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or opinions expressed in the report.

The information herein is compiled by or arrived at Rong Viet Securites from sources believed to be reliable. We, however, do not guarantee its accuracy or completeness. Opinions, estimations and projections expressed in this report are deemed valid up to the date of publication of this report and can be subject to change without notice.

This research report is copyrighted by Rong Viet Securities. All rights reserved. Therefore, copy, reproduction, republish or redistribution by any person or party for any purpose is strictly prohibited without the written permission of VDSC.