

*“Could the heat of Q2’ earning result last long?”*

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- **Could the heat of Q2’ earning result last long?**
- **BMP: hope comes true**
- **TCL: brighter outlook in 2014**

HSX bourse went up stable thanks to the consensus of three pillars, GAS, VNM and notably BVH, all were accumulated above reference level. We saw that some leaking information about Q22014 results is eliciting a positive responsiveness from investors.

From unofficial news, estimated Q2 results of two leading shares in Tire industry showed mixed growth. Specifically, in Q2, DRC’ revenue could be around VND924 bn (+20% yoy), PAT is about VND136 bn (+23% yoy). Meanwhile, that of CSM is about VND750 bn (-10% yoy) and VND85.8 bn (-14% yoy), respectively. As our analyst’ comment, though decreasing compare to the same period but Q2 earning of CSM is still better than Q1 and it is worthy to note that income from Nguyen Khoai property project has not recorded in the first 6 months of this year.

Contrary to HCMC exchange, HaNoi exchange’ gaining momentum is quite restricted because shares of this exchange do not get much general concern.

**Could the heat of Q2’ earning result last long?**

VNIndex has increased considerably from the beginning of this trading week (+2.8%), volume improved gradually and today, we see the heat is quickly contagious to some speculative shares, not counting the strong demand of foreigners compare to the early week. We feel that earning results could support market further, however, after official information is exposed, investor’ actions will different. Gaining momentum thus will be tested when cash flow is not really strong and support news which is key turning point for market has not appeared yet, according to our opinion.

**BMP: hope comes true**

In the early of this week, General Taxation Department has released an official document regarding to the tax charge reclaim of Binh Minh Plastic Corp. (HSX – BMP), this is a good news for BMP’ shareholders. According to General Taxation Department’ decision, BMP must comply to pay full amount of the retroactive tax charge but will be freed from the monetary fine (~VND42.1 bn). This totally suit with our opinion in recent Result update (04/04/2014). For tax arrears (~VND75 bn) which company has paid in 2013, should record as the following options: (1) Adjust profit in the period of 2009-2010(which caused retained earnings to decrease but NAT 2014 would not be influenced; (2) Record all into performance in 2014. In the positive case (1), our analyst estimate BMP’ PAT in 2014 at about VND393 bn, equivalent to EPS of VND8,638.

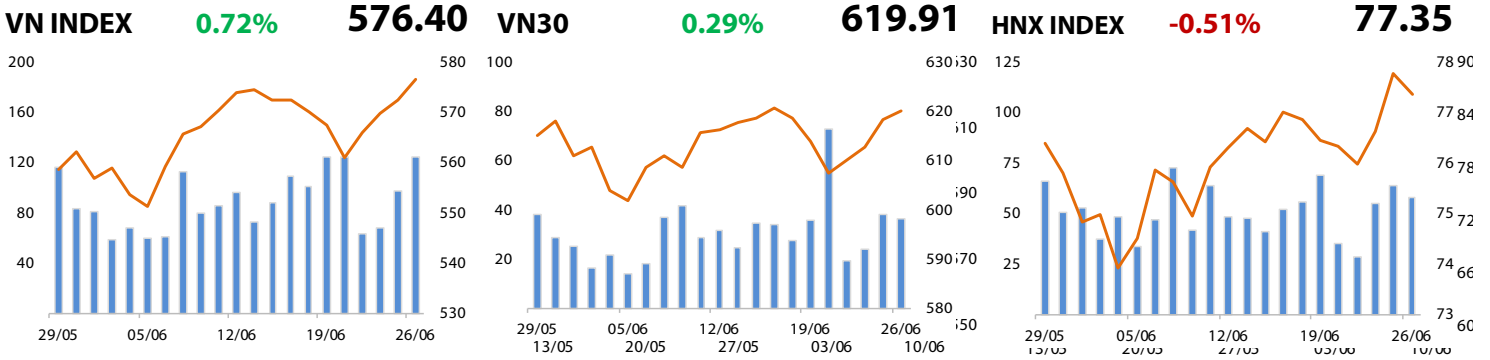
**TCL: brighter outlook in 2014**

We just have a short talk with management of Tan Cang Logistics and Stevedoring JSC (HSX – TCL). TCL is one of three key segments of Sai Gon Tan Cang Corp, according to analyst’ opinion,

main prospect of TCL in 2014 could be listed as below:

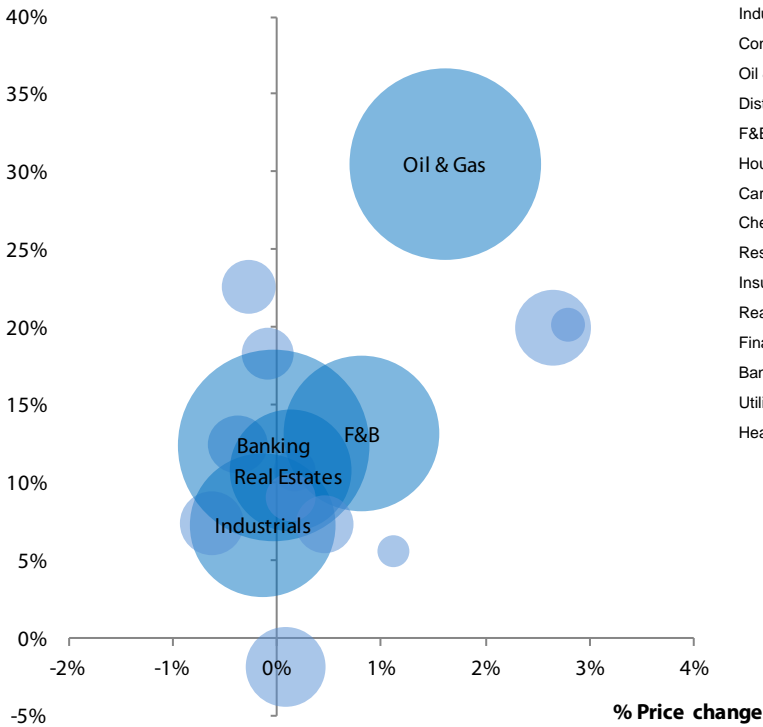
- (1) Intensifying investment in Nhon Trach – Tan Cang could increase goods through port in 2014 about 37.1% compared to last year (~44,300 TEUs). Actually, in the 1H2014, the output growth reached 56.5% compared to the same period. After the regulation on the loading capacity of trucks, the sea transportation from Cat Lat to industrials at Nhon Trach, Dong Nai through Tan Cang – Nhon Trach port could save costs significantly. To be specific, the freight from Nhon Trach (Dong Nai) to Cat Lai port (HCM City) by barge could save about VND200,000/TEU compared to trucks.
- (2) Tan Cang 128 Hai Phong port is expected to be positive due to the growth of cargos at Hai Phong area. Company said that this port is currently operating at full capacity.
- (3) Tan Cang – Cat Lat, the main operating area of company, has showed improvement thanks to the trade recovery. In 2014, the plan of goods through port is set at 3.4 million TEUs.

This year, company focuses on upgrading capacity and expanding ware housing at Tan Cang – Nho Trach with estimate investment cost about VND240 bn. Our analysts expect 2014' outlook of TCL will be more encouraging and getting better than 2013. P/E of TCL is quite low (~6x) now and company usually pay dividend at 7.8% yield, higher than current deposit interest. However, liquidity of TCL is very low with 1-month average trading volume about 2,100 units/day, thus, we think that TCL could be suit for value investors than short-run trading investors.

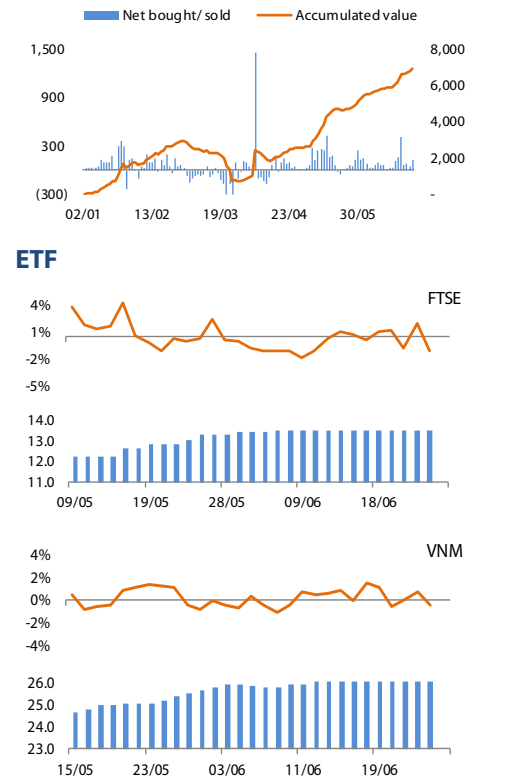


**Industry Movement**

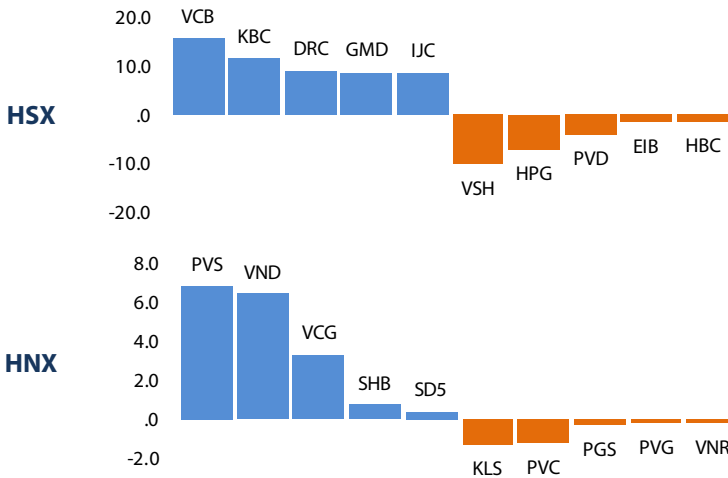
**Industry ROE**



**Foreign Investors Trading**



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



**Top Active**

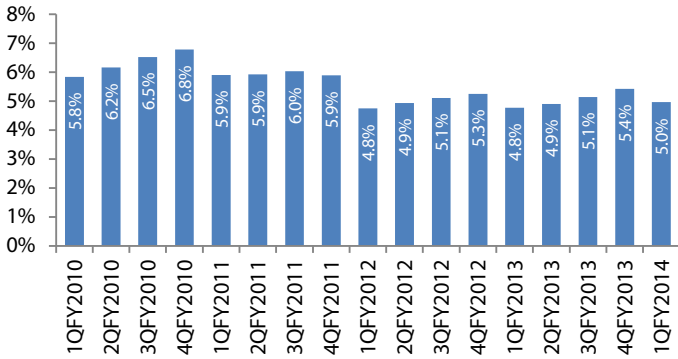
Ticker	Price	Volume	% price change
FLC	11.40	22.33	6.5%
ITA	8.10	7.20	0.0%
HQC	7.70	4.63	-1.3%
HAG	24.50	4.43	0.8%
GTT	5.40	3.26	3.8%

Ticker	Price	Volume	% price change
SHB	9.30	8.22	0.8%
KLF	11.30	7.44	1.0%
SCR	8.50	4.45	0.2%
DCS	5.80	4.05	6.5%
PVX	4.30	3.77	-2.2%

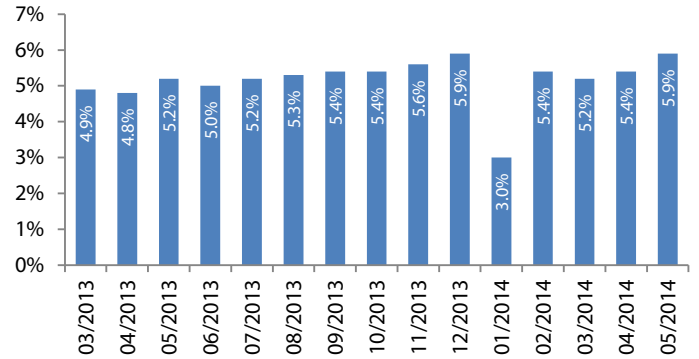
## MACRO WATCH

**Graph 1: GDP Growth**



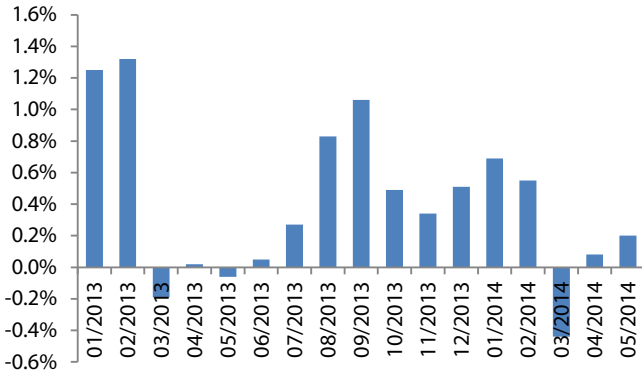
Sources: GSO, Rongviet Securities database  
(\* Comparison price in 1994)

**Graph 2: IIP**



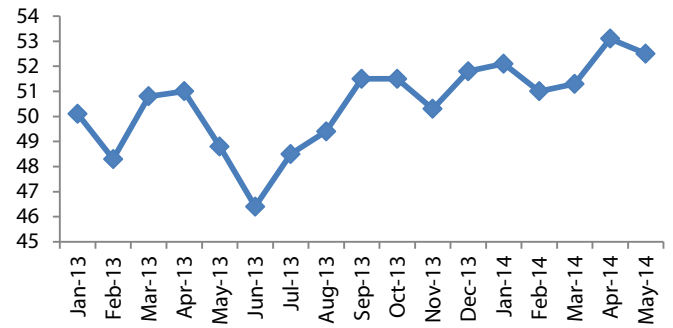
Sources: GSO, Rongviet Securities database

**Graph 3: Monthly CPI**



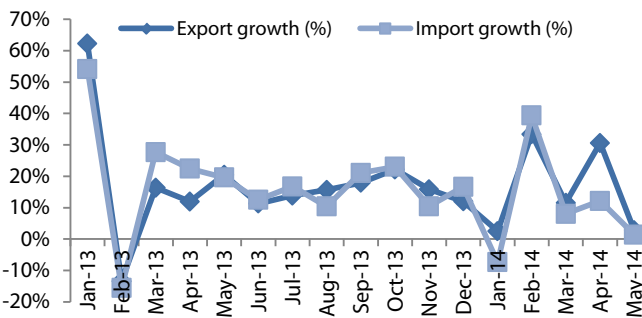
Sources: GSO, Rongviet Securities database

**Graph 4: HSBC - PMI**



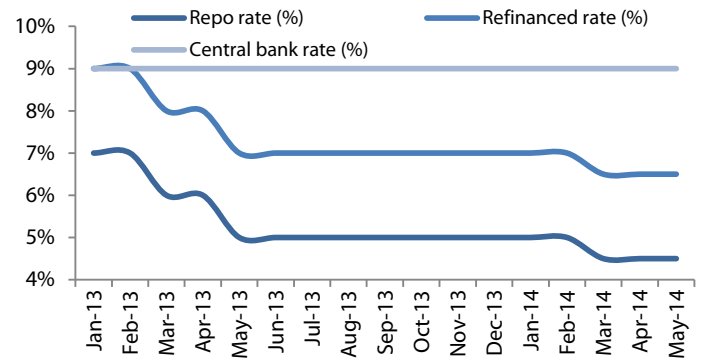
Sources: GSO, Rongviet Securities database

**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
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	17/06/2014	0.75%	0.75%	10,790	10,761	0.27%
VF1	19/06/2014	0.20% - 1.00%	0.50%-1.50%	20,974	20,784	0.92%
VF4	18/06/2014	0.20% - 1.00%	0.00%-1.50%	9,545	9,395	1.59%
VFA	20/06/2014	0.20% - 1.00%	0.00%-1.50%	7,358	7,363	-0.07%
VFB	20/06/2014	0.30% - 0.60%	0.00%-1.00%	10,788	10,799	-0.11%
ENF	13/06/2014	0.00% - 3.00%		9,789	9,609	1.87%

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