

“Macro in the first 6 months - GDP growth”

- **Macro in the first 6 months - GDP growth**
- **Updated news on PNJ**

This last trading week of June was so-called “a satisfying week” in terms of sentiment factors. Due to supporting information and 2Q2014’s business results of enterprises are ready to be announced, the market increased sustainably. Vn-Index gained total 5 consecutive ups, closed at 578.82 points whereas HN-Index had less ups, closed at 77.58 points. Hence, Vn-Index and HN-Index respectively rose 3.22% and 1.66% compared to last week.

The liquidity of this week in both exchanges declined compared with last week, specifically, HSX decreased by 21.88%, and HNX decreased by 4.45%. The average trading volumes of foreign investors in HSX and HNX also declined by 41.7% and 7.49% respectively, because the ETF review was ended last week.

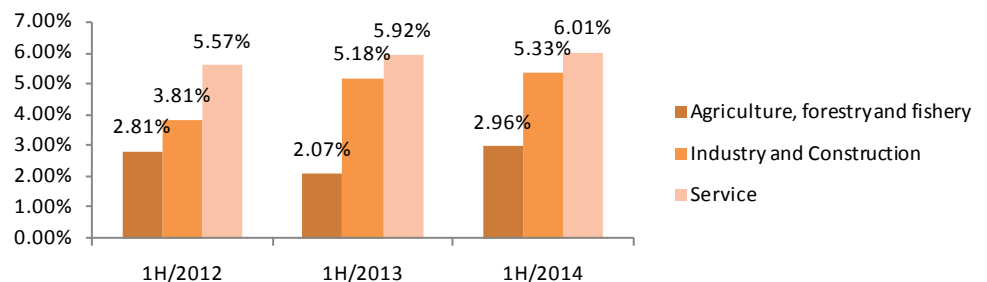
In this week, the increase of the market mainly based on the movement of bluechips and “1st-class” midcap whose business result in 2Q were predicted to be encouraging. However, after the information was already reflected in prices, the effects seemed to be weaker and VN30 was declined in the Friday’s session. In next week, we predict the attention could be on “1st-class” smallcap, and therefore, the market would be around 580 pts. However, the opportunities for taking profit in short-term and “selling high - buying low” will appear.

Macro in the first 6 months - GDP growth

GSO has announced the report of economy and society for the first 6 months of 2014. Accordingly, GDP from January to June is estimated to increase by 5.18% compared to the corresponding period last year. The GDP growth rate in last 6 months is higher than the growths of same periods in 2012 and 2013 (4.93% and 4.9% respectively). This is considered as a positive sign of economic growth.

In term of structure, three main sectors: agriculture, forestry, and fishery sector, industry and construction sector, and service sector, account for 17.69%, 38.75% and 43.61% of GDP, respectively. Remarkably, the percent of service sector tends to gradually increase and contribute the most to the growth of Vietnamese economy in recent years. In general, all three sectors are improved compared to the first 6 months of 2013, but these increases are not too much. From the perspective of GDP spending, the ended-consumption plays an import role in GDP structure (79%), 5.19% higher than 2013’s. Additionally, the impact of the gross fixed capital formation on GDP is fairly significant with 5.08% increase.

Graph: GDP growth for the first 6 months in terms of economic areas



(Source: GSO)

Concerning all supply & demand factors and analyzing the overall macro picture in the last 6 months, RongViet Research believes that **FDI and export activity continues to be the major driving force** contributing to the economy's growth. Summarizing the first 6 months, the demand of the economy still improved such as the significant changes in industrial consumption index and retail sales. However, important factors such as **high inventory index and increasingly dissolved businesses** reflected that the economy is still in trouble.

	1H-2013	1H-2014	Change (%)
GDP growth (%)	4.9	5.2	
IIP (%)	5.2	5.8	0.6
Industrial consumption index (%)*	7.5	9.0	1.5
Retail sales (%)	4.9	5.7	0.8
Inventory index (%)	9.7	12.8	3.1
Disbursement FDI (USD billion)	5.7	5.8	0.9
Trade surplus/deficit (USD billion)	(1.1)	1.3	
Export (USD billion)	62.4	71.2	14.1
Import (USD billion)	63.4	69.9	10.2
CPI (%)	5.0	6.7	1.71
New establishment company	38,910	37,315	-4.1
Dissolved and go out of business company	28,765	33,454	16.3

* End of May

(Source: GSO, RongViet Research)

Updated news on PNJ

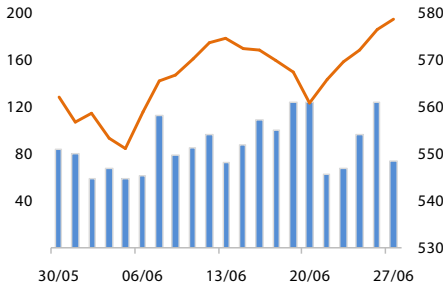
Ending of 5 months, PNJ completed 50% business plan with revenue of VND3.100 billion and net profit before tax of VND140 billion. Notably, revenue of gold jewelry business increased by 20% over the same period and the gross profit margin reached 13% (improved by 1-2% compared with 1Q2014). The reason for this growth was due to the PNJ's strategic plan with the purpose of enriching the product structure and simultaneously increasing the number of stores. Up to now, PNJ had opened 6 new stores and anticipated to open total 12 new stores. Additionally, silver jewelry business rose by 6%, which was considered to be improved compared with same period of 2012 and 2013, mainly achieved by enhancing marketing plan and brand promotion campaign. Assessing the prospect of the last 6 months, our industry analyst believes there will be optimistic ability for PNJ to achieve the target. Nevertheless, business result of 2Q2014 will be lower than previous quarter due to the low season characteristic whereas 1Q and 4Q are usually the peak season.

Thuy Nguyen

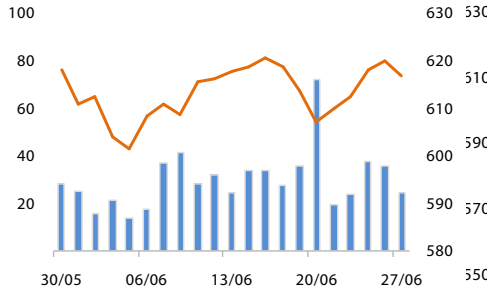
+84 8 6299 2006 | Ext: 317

thuy.nt@vdsc.com.vn

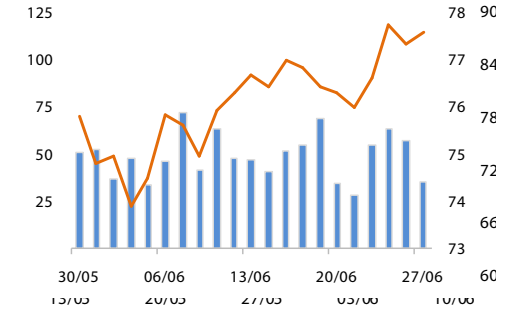
VN INDEX 0.42% **578.82**



VN30 -0.49% **616.85**

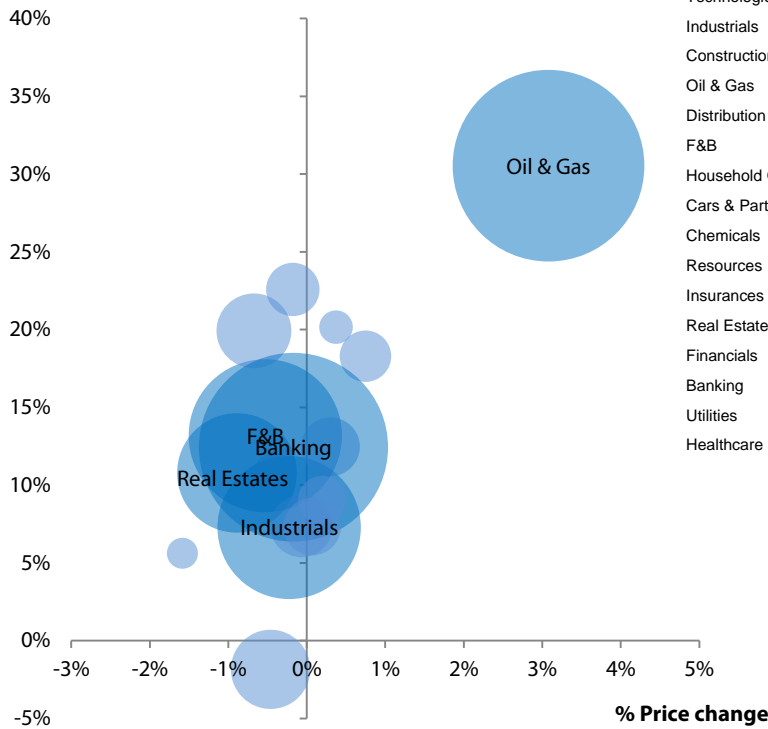


HNX INDEX 0.30% **77.58**

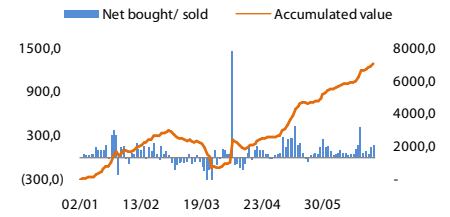


Industry Movement

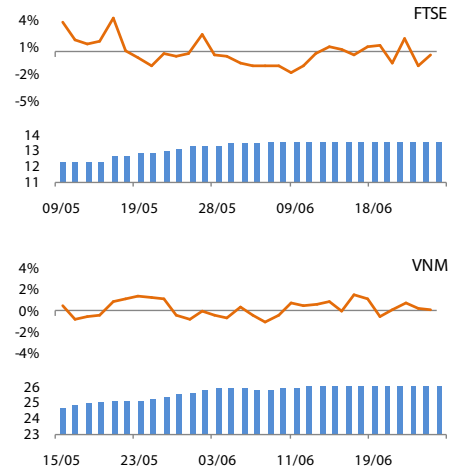
Industry ROE



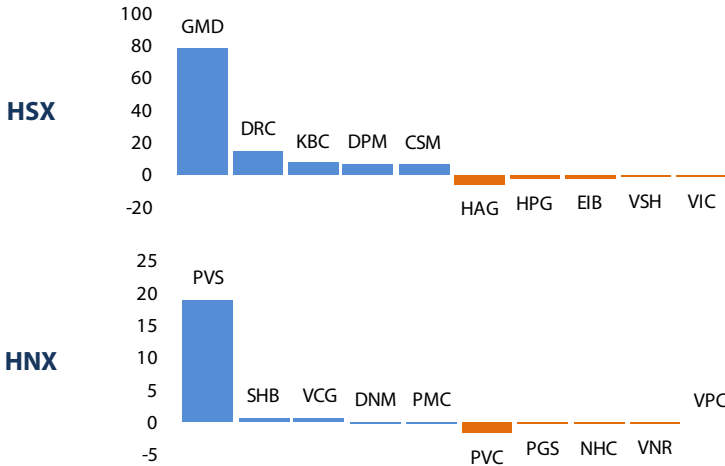
Foreign Investors Trading



ETF



Top net bought/sold by foreigners (VND bn)



Top Active

Ticker	Price	Volume	% price change
FLC	11.10	7.48	-2.6%
HQC	7.80	4.71	1.3%
ITA	8.10	2.90	0.0%
SSI	25.90	2.27	0.0%
KSS	6.00	1.71	-1.6%

Ticker	Price	Volume	% price change
PVX	4.30	5.02	0.9%
SCR	8.50	3.58	0.2%
SHB	9.30	3.44	0.0%
PVS	29.10	3.08	-0.1%
KLF	11.10	2.60	-0.7%

WEEKLY TECHNICAL VIEW

VN-Index

VN-Index rose 18,04 points (or 3,2%) higher over the past week, closed at 578,82. Trading volume reduced from 513 to 363 million shares.

After rebounding from support at 560, the index moved past its' previous peak at 577,27. Traders should watch for an extended move higher to 590 or a move back to 570 area.

Looking at technical indicators, the RSI appears relatively neutral at 61,9 while the MACD has been trading roughly even. A potential negative divergence between MACD and VN-Index appeared.

VN-Index made new high but the low volumes caused concerns.

To go further, the liquidity should increase in next trading sessions.



HNX-Index

HNX-Index increased 1,27 points (or 1,66%) to 77,58 as of Friday's close. Totally, 204,2 million shares changed hands (-15,6%).

HNX-Index recovered from the EMA(26) at 76 and moved towards previous peak at 77,5. Traders should watch for a break out towards 80-81 area or a move lower to its support at 76.

Looking at technical indicators, both the RSI and the MACD have been trading even for weeks. The Bollinger band continued tightening.

The ADX kept going down towards 12, indicates that at this moment, there is no trend of HNX-Index. The trading range of HNX-Index maintains in 73,5-77,5 area.



Recommendation: VN-Index jumped strongly while HNX-Index increased slightly. Liquidities did not increase respectively caused concerns. Short-term investors who did take profits continue to hold cash and wait for new signals while long-term investors continue holding stocks for long-term goals.

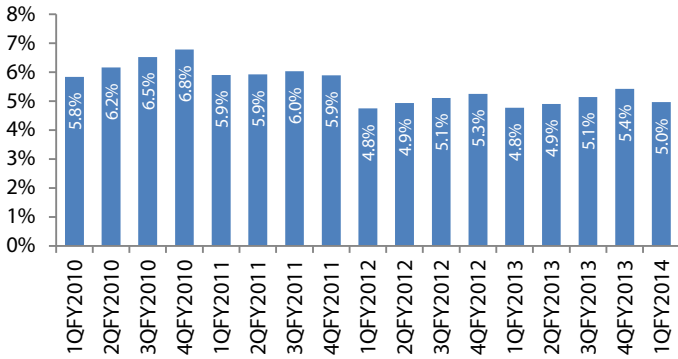
Khai Tran

+84 8 6299 2006 | Ext: 208

khai.tq@vdsc.com.vn

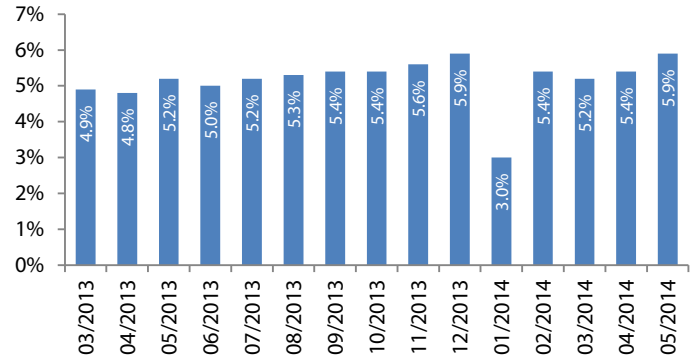
MACRO WATCH

Graph 1: GDP Growth



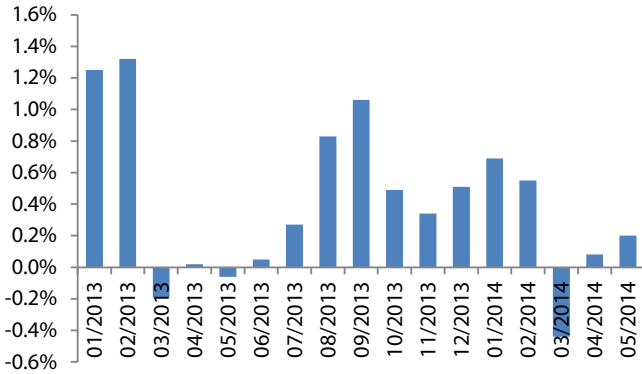
Sources: GSO, Rongviet Securities database
(* Comparison price in 1994)

Graph 2: IIP



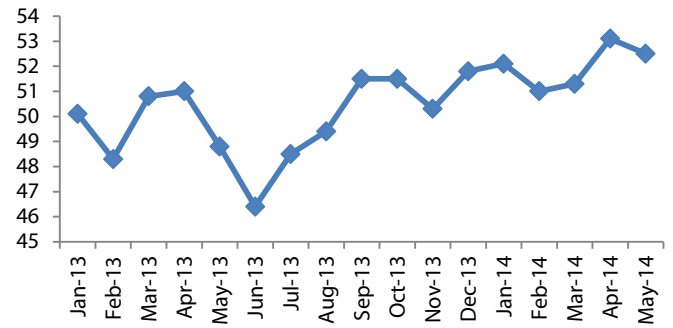
Sources: GSO, Rongviet Securities database

Graph 3: Monthly CPI



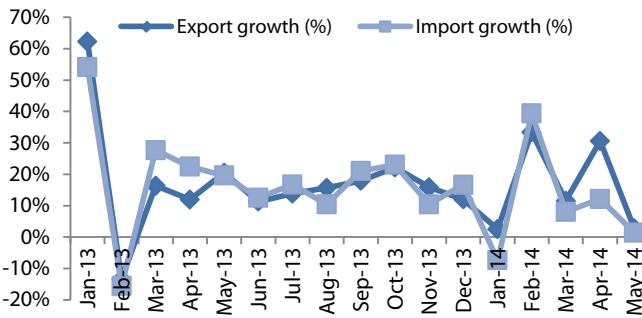
Sources: GSO, Rongviet Securities database

Graph 4: HSBC - PMI



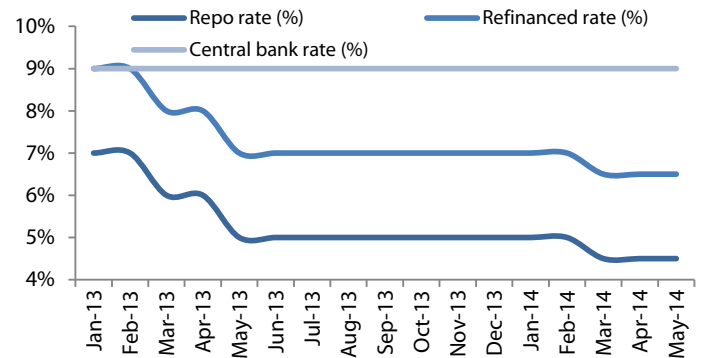
Sources: GSO, Rongviet Securities database

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 th , 2014	Buy – Long-term	28,000
FPT-Leaping revenue	May 27 th , 2014	Accumulate – Intermediate-term	51,600
NBB-Strengthened cash flows	May 07 th , 2014	Buy – Long-term	36,300
DIG-Reboot	April 28 th , 2014	Accumulated – Long-term	19,200
HPG-Sustainable Development	April 24 th , 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%

ANALYSTS

Truc Doan – Head of Research

+ 84 8 6299 2006 | Ext: 314

truc.dtt@vdsc.com.vn

Thuy Nguyen

+ 84 8 6299 2006 | Ext: 317

thuy.nt@vdsc.com.vn

Huy Nguyen

+ 84 8 6299 2006 | Ext: 344

huy.nt@vdsc.com.vn

Tai Nguyen

+ 84 8 6299 2006 | Ext: 315

tai.ntp@vdsc.com.vn

My Tran

+ 84 8 6299 2006 | Ext: 348

my.tth@vdsc.com.vn

Lam Nguyen

+ 84 8 6299 2006 | Ext: 318

lam.ntp@vdsc.com.vn

Dung Tran

+ 84 8 6299 2006 | Ext: 349

dung.tt@vdsc.com.vn

Tam Bui

+ 84 8 6299 2006 | Ext: 348

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



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