

MAY

16

FRIDAY

*“The winners’
behavior is
composure”*

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ADVISORY DIARY

- **The winners’ behavior is composure.**
- **The strong message from our Government is expected to support the belief in coming days.**
- **HVG – updated from AGM.**

Last week, **we did not see any important macroeconomic news which may lead the market trend** because the East Sea event was still the central point to be interested. In such context of all fluctuations in the stock market is completely depended on investors’ sentiment, the market indices up and down is easy to understand. In summary, VNIndex and HNIIndex downed 2.39% and 2.53% respectively compared to last week. The liquidity has mixed together when cash inflows focused to trading on HSX; the average trading volume on HSX increased by 7.5% while that number on HNX decreased by 8.7%. Foreigners’ net bought value was raised from VND 522 billion in last week to VND 1,348 billion in this week.

We gave more information for reference and in order to balance with concerns about political tensions in recent advisory diaries. TPP negotiations are gaining more achievements to be expected that it will finish in this year. The composure of foreign investors is manifested by price stability of Credit Default Swap – CDS. All those factors have not shown a perspective based on our own feelings but that is the nature of fact. **Therefore, we think that choosing an appropriate action in this context should be relied on evidence and thorough analysis instead of chasing mass behavior.**

“I never attempt to make money on the stock market. I buy on the assumption that they could close the market the next day and reopen it for five years.” – Warren Buffett.

With that famous quotation, it’s easy to see the connection that we would like to mention since many investors’ anxiety came from assuming the worst scenario although we think that it is impossible to happen absolutely. We always have opportunities in risks and our behaviors in present will determine the victory in future. The strong message from our government to resolve political conflict in peaceful ways and avoid losses at least as well as solve difficulties for businesses to achieve economic growth target of 5.8% may be expected to support the belief in coming days.

HVG – updated from AGM

We have attended AGM of HVG this morning and the below notes relatively brief highlights to investors.

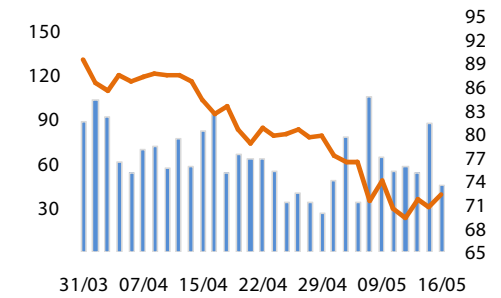
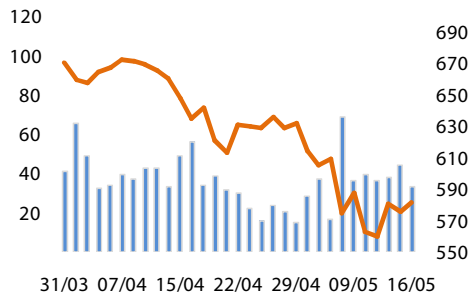
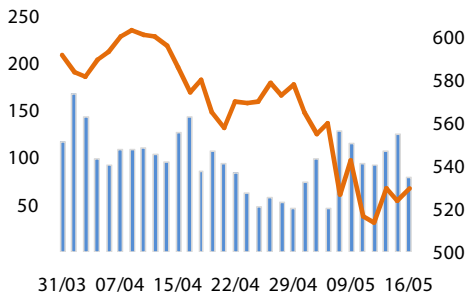
HVG said that in 2013, the Company imported nearly 300,000 tons soybean meal with the average price difference of VND1.000 per kg in comparison with imported price of the market. The total value of price gap was relatively VND300 billion. However, the Company divided about 120,000 tons for internals and about 180,000 tons for Viet Thang company with low price. It made the parent company decrease VND70 billion but it also helped VTF to stabilize and expand their business. Especially pangasius feed processing industry has faced obstacles which caused many companies’ performance to decline significantly. Thanks to cheap materials of HVG, the performance of VTF increased gradually. Q1 productions of VTF was 59,000 tons and Q2 production rose of nearly 50% according to Mr. Duong Ngoc Minh- Chairman of HVG. Therefore,

the increase in VTF performance contributed dramatically to HVG's results this year as the proportion in VTF rose of 65% in prior public offering and planned to 80% this year.

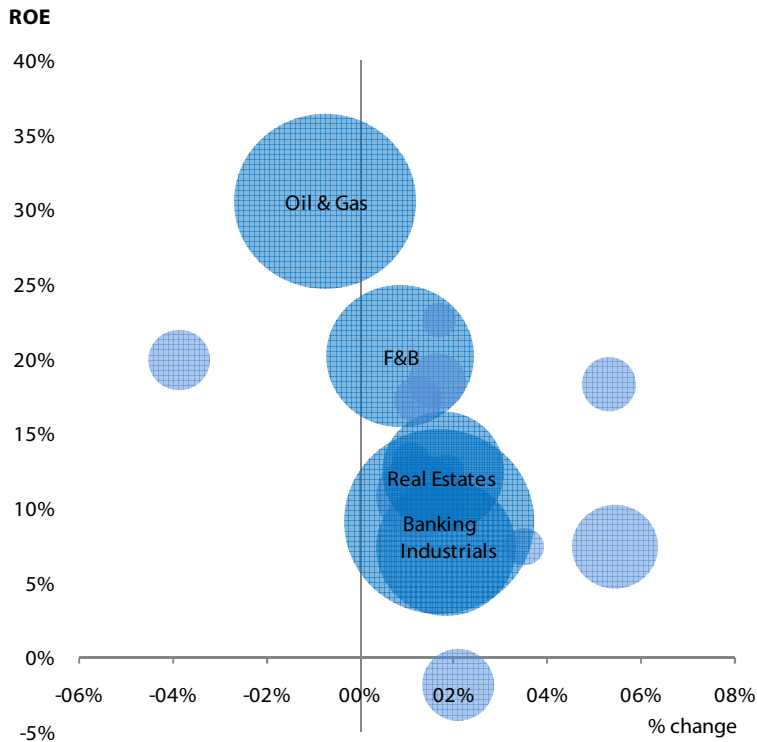
Projected revenue, NBT in 2014 is respectively VND14,000 billion (+26.8% yoy) and VND700 billion (+139.6%). Mr Minh said that in the first six months, the revenue would be VND8,000 billion and the NBT should be VND300 billion. The Company planned to purchase treasury shares of 5 million units this June by using this year earnings. Moreover, dividend by stocks in 2013 was adjusted to 10% instead 20% meanwhile projected dividend in 2014 would be 20% by stocks and 10% by cash.

To comment the 2014 plan probability, our analyst said that the Company has certain advantages such as (1) Declined soybean meal materials made cost price a significant fall, estimated cost price of VND20.000/kg compared to VND22.000-25.000/kg in the market. (2) A huge contribution of Viet Thang's prospective results. (3) Large owned fishpond area of 321 ha and the self-supply frame from farming-processing-exporting. Thus the plan has built on specific foundation. However, the shift of cheap materials in 2013 would cause EPS to unstabilize. As a result, the common valuation by P/E might have bias result in which investors should be cautious.

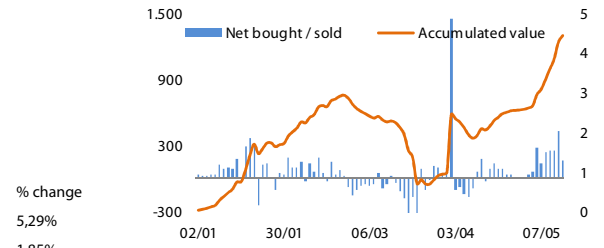
VNINDEX 1,04% 529,49 **VN30 1,11% 581,93** **HNXINDEX 2,28% 72,31**



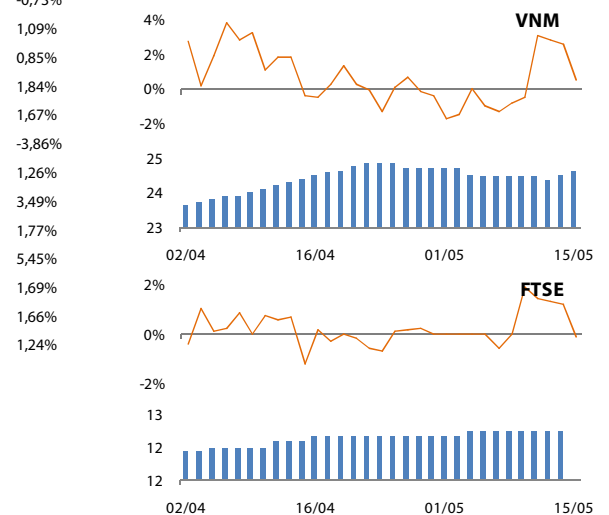
Industry Movement



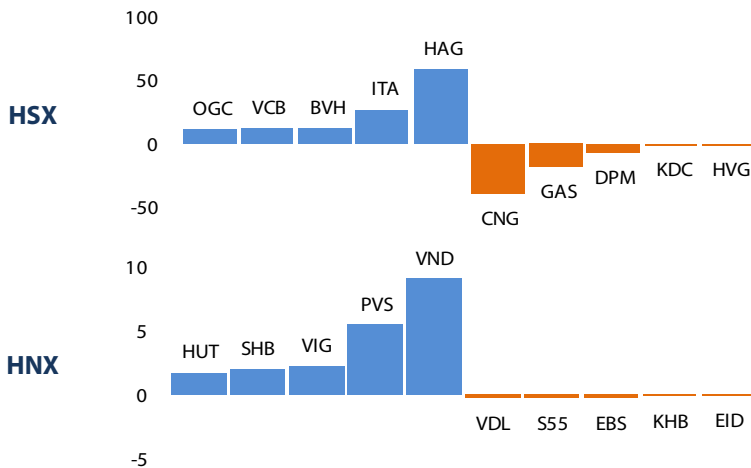
Foreign Investors Trading



ETF



Top net bought/sold by foreigners (VND bn)



Top Active

Ticker	Price	Volume	% P change
FLC	8,40	7,84	6,33%
ITA	7,50	6,86	5,63%
HAG	24,70	5,04	5,56%
HQC	5,90	3,98	5,36%
SSI	21,90	3,53	6,83%

Ticker	Price	Volume	% P change
PVX	4,20	6,05	0,00%
KLS	9,70	5,60	7,78%
SCR	7,60	4,68	8,57%
SHB	8,50	2,97	3,66%
VCG	10,90	2,57	9,00%

WEEKLY TECHNICAL VIEW

VN-Index

From 12/5/2014 to 16/5/2014, VN-Index lost 12,97 points (or 2,39%), closed at 529,49. Liquidity continues to increase with 498 million shares changed hands (+7,6%).

This week, VN-Index plunged below the 200-day moving average but then recovered and rose above this landmark.

As shown on chart, the head and shoulders pattern formed and then VN-Index shank to the lowest point (508). This decrease coincided with the target price of the Head and shoulders pattern. Besides, this lowest point was also near the strong psychological support level at 500 point. At this trading area, the liquidity rose above its 10-day average, showing that the cash flow still exists in the market.

RSI indicator formed positive divergence with VN-Index, implied market reversal. MACD stopped declining and was ready to go up.

It seems that VN-Index is in the process of bottoming. The resistance is around 550 while the support zone is 500-510.

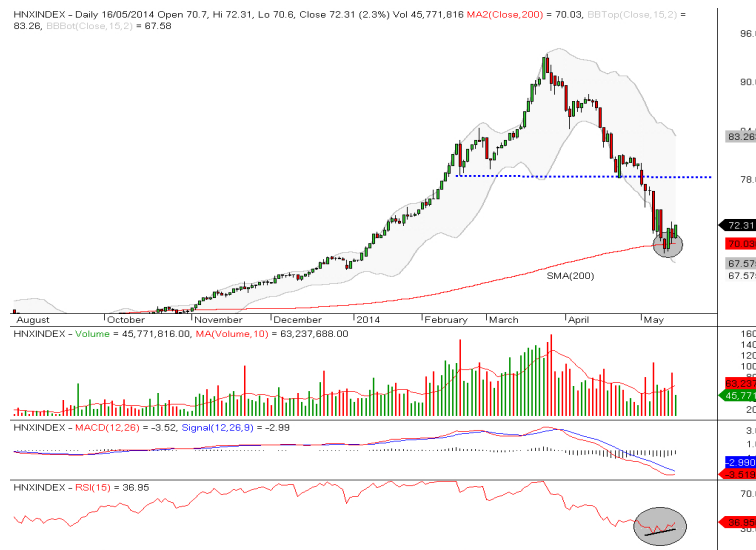
HNX-Index

From 12/5/2014 to 16/5/2014, HNX-Index slipped 1,88 points (or 2,53%), closed at 74,19. Trading volume decreased to 301,5 million shares (-8,8%).

The downtrend HNX-Index was blocked by the 200-day moving average (around 70). Trading volumes around this landmark improved. Indicators such as MACD and RSI showed positive signs. MACD turned up while RSI made positive divergence with HNX-Index.

Similar to VN-Index, HNX-Index is expected to be in the process of bottoming. If the recovery continues, HNX-Index will be resisted at around 78. Conversely, the 200-day moving average is the strong support.

The sharp decline of markets stopped at strong support. Along with the increase of liquidity, we suppose that a reversal will come soon. Investors should continue disbursing on selective stocks for long-term goals.



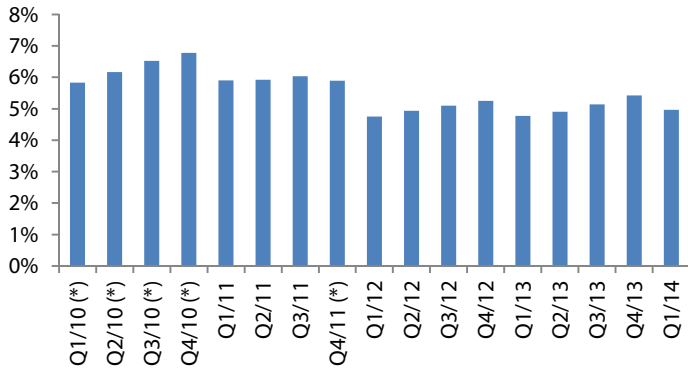
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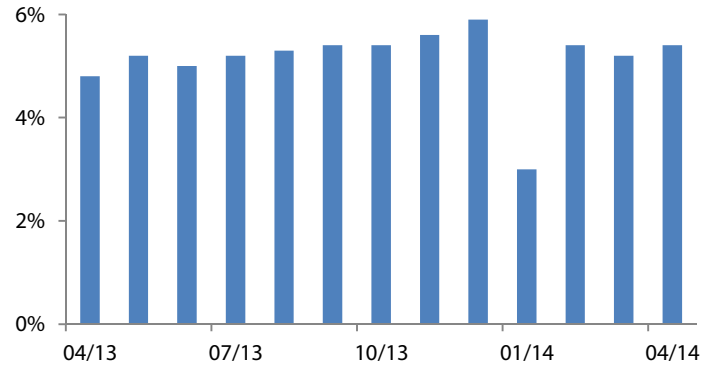
MACRO WATCH

Graph 1: GDP Growth



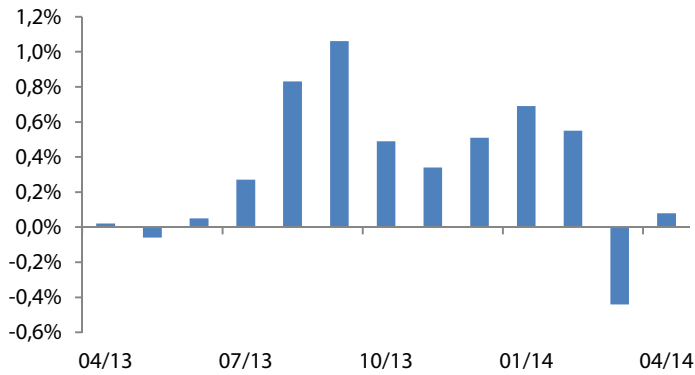
Sources: GSO, Rongviet Securities database
(*) Comparison price in 1994

Graph 2: IIP



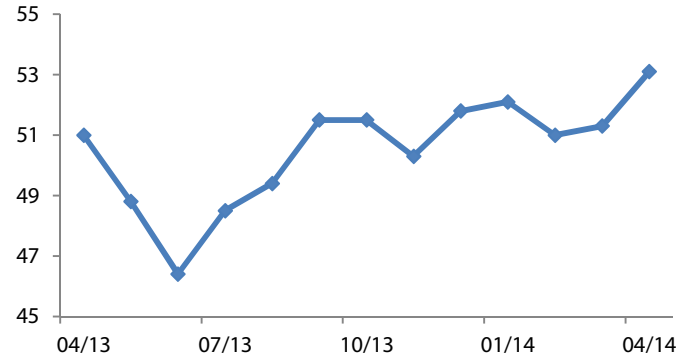
Sources: GSO, Rongviet Securities database

Graph 3: Monthly CPI



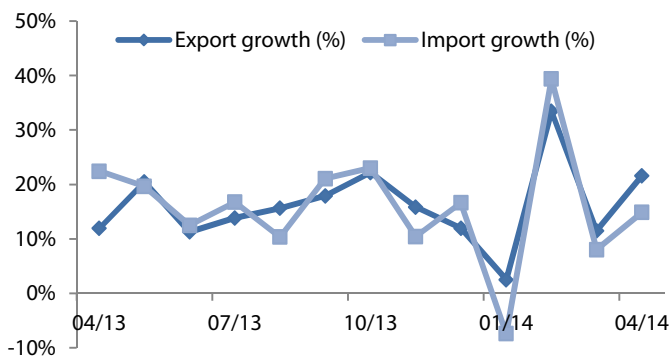
Sources: GSO, Rongviet Securities database

Graph 4: HSBC - PMI



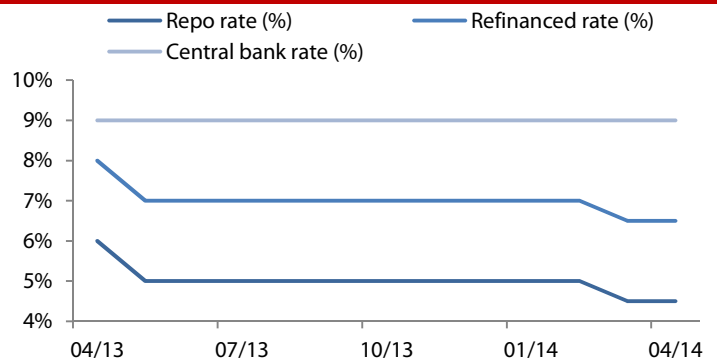
Sources: GSO, Rongviet Securities database

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
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
CSM-Radial and long-term growth	April 4 th , 2014	Neutral – Intermediate-term	46,700
PPC-Stay firm	April 4 th , 2014	Neutral – Long-term	25,200

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	06/05/2014	0.75%	0.75%	10,455	10,727	-2.54%
VF1	08/05/2014	0.20% - 1.00%	0.50%-1.50%	21,227	21,917	-3.15%
VF4	07/05/2014	1.00%	0.50%-2.00%	9,502	9,946	-4.46%
VFA	09/05/2014	0.20% - 1.00%	0.00%-1.50%	7,344	7,400	-0.76%
VFB	09/05/2014	0.30% - 0.60%	0.00%-1.00%	10,775	10,771	0.03%
ENF	02/05/2014	0.00% - 3.00%		9,796	9,773	-1.06%

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