

“DBC: Top net bought by foreign investors”

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- **FDI enterprises: 2000 - 2013**

DBC: Top net bought by foreign investors

Taking profit began at the early and waiting sentiment of most investors made VNIndex decreased for the second trading day. At the end, VNIndex lost 0.36% to 582.77, while HNIIndex seemed to be unchanged, gained only 0.01 points. The slump of liquidity is more noticeable at the end of this week, the South bourse' volume downed by 30% compared to average weekly liquidity while that of the North dropped by 10%.

In today's session, DBC stock was one of the most attractive shares for foreign investors. At the time of closing, DBC was net bought of 243,900 shares, equivalent to VND5.5 billion. This is the second consecutive session that DBC was in the top of net bought by foreign investors. The major reason was the information about soya price, one of the main ingredients in DBC's production. As our observation, the soya price has significantly reduced since Jan, and was equivalent to the 2010's price. In addition, according to unofficial information, DBC bought soybean at very low price, and therefore, its profit margin would be considerably improved. Our industry analyst confirms that the soybean price is good for animal feed producers, but the rumor of cheap material is not verified.

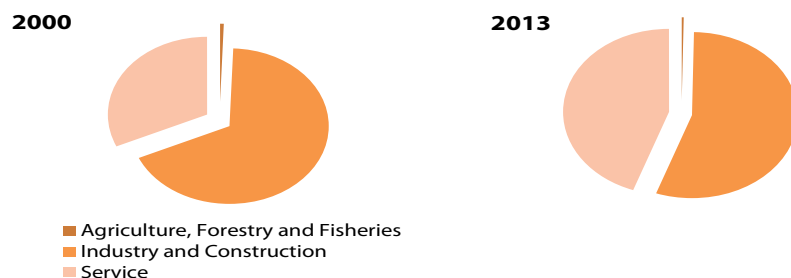
In summary, both indices decreased this week, VNIndex lost 1.12% (~6.58 points) while HNIIndex lost 1.03% (~0.82 points). However, liquidity improved compared to the previous week, average trading volume increased by 8.27% on HSX bourse and 11.52% on HNX bourse compared to average volume of the most recent 20 days.

FDI enterprises: 2000 - 2013

The General Statistics Office of Vietnam (GSO) has published statistics on FDI corporate in Vietnam from 2000-2013. In general, FDI contribution to economic development has become increasingly significant. In 2013, FDI made up 45.4% profit and 30.5% state budget revenue of all enterprises. However, there are some points which we want to mention about FDI sector.

First, FDI sector grew quickly over the last decade. The statistic numbers showed that there are 9,093 FDI companies which are now operating in Vietnam till the end of 2013. In addition, FDI sector is the most effective and stable in 2013 with ROE and profit margin about 7.3% and 7.9%, respectively. Meanwhile, that of state sector are 3.2% and 6%, private sector is the worst (0.8% and 1.2%).

Graph: Percentage of FDI by sector



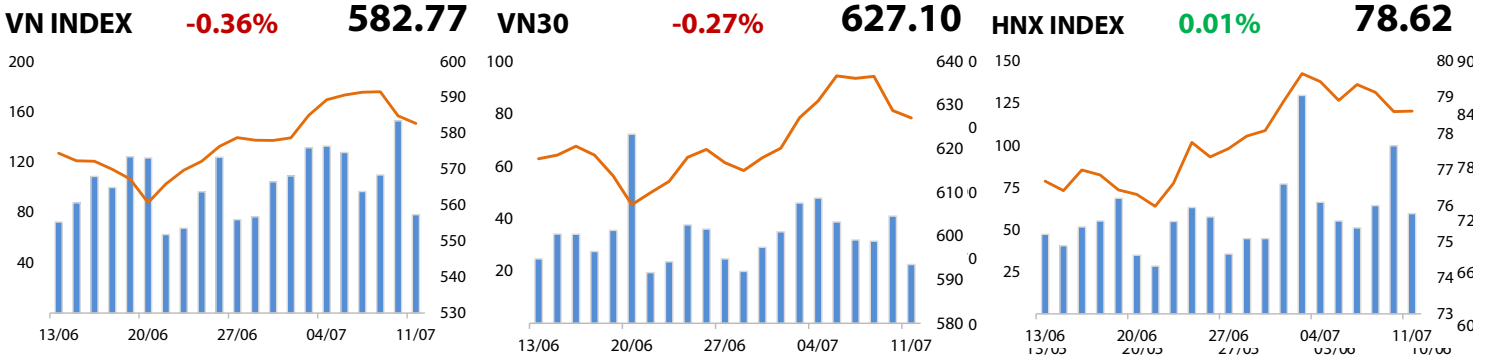
Source: GSO

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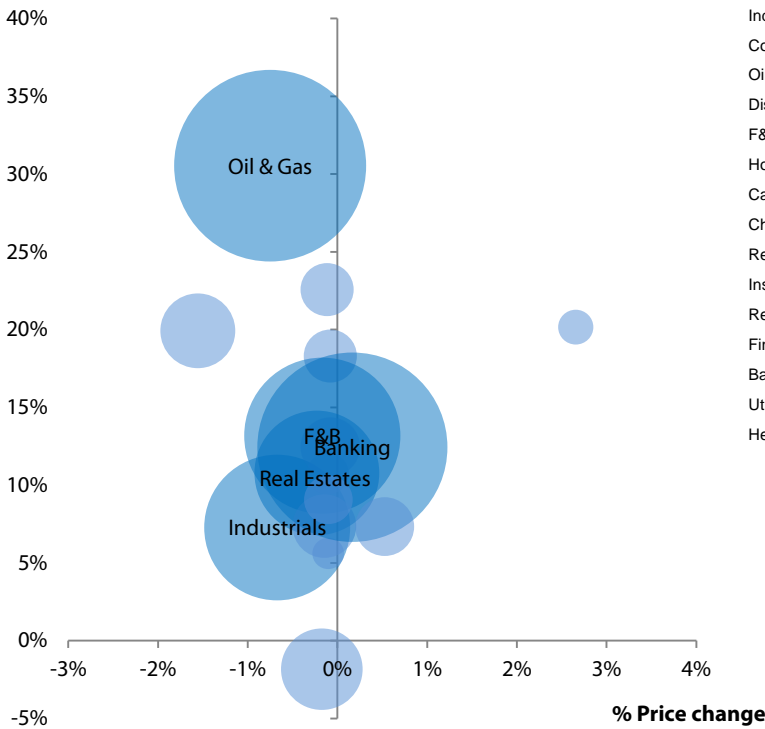
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In terms of business manufacturing industry, FDI capital was majorly focused on industrial and construction sector. In 2013, this area accounted for 73% of total FDI enterprises; 55.2% of the capital source; 81.5% of revenue; and 47.9% of profit. Nevertheless, after 13 years of investing in Vietnam, the structure of FDI flow also became more balanced and gradually shifted to services activities. The proportion of investment into this sector increased from 31.7% in 2000 to 44.5% in 2013. On the contrary, although Vietnam had strong base in agriculture field, the FDI proportion into business manufacturing of agriculture, forestry and fisheries was very low (0.3% in 2013) and tended to gradually decline.



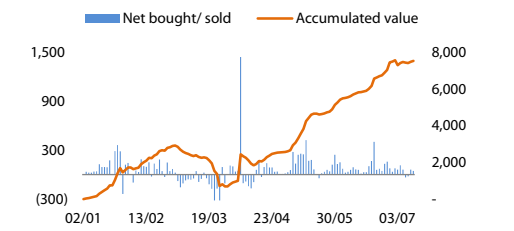
Industry Movement

Industry ROE

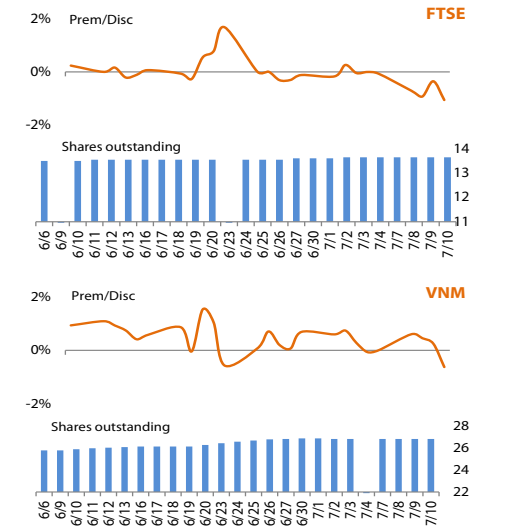


Industry	% change
Technologies	-0.1%
Industrials	-0.7%
Constructions	-0.2%
Oil & Gas	-0.8%
Distribution	-0.1%
F&B	-0.2%
Household Goods	-0.1%
Cars & Parts	2.7%
Chemicals	-0.1%
Resources	-0.1%
Insurances	-1.6%
Real Estates	-0.2%
Financials	-0.1%
Banking	0.2%
Utilities	0.5%
Healthcare	-0.1%

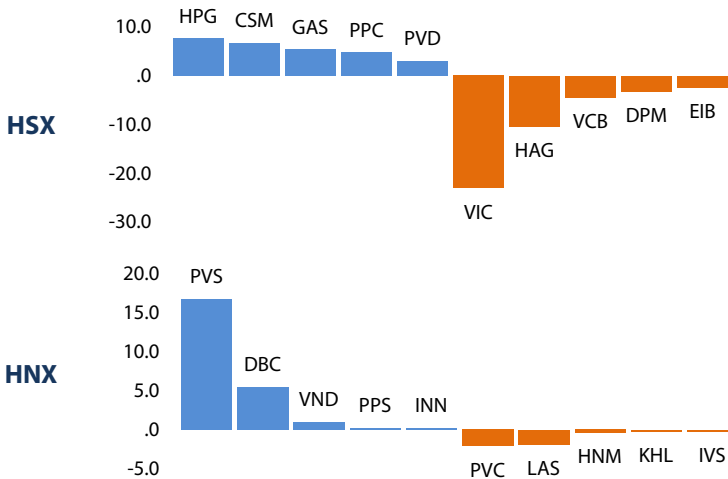
Foreign Investors Trading



ETF



Top net bought/sold by foreigners (VND bn)



Top Active

Ticker	Price	Volume	% price change
FLC	13.00	11.04	0.0%
ITA	8.20	4.60	-1.2%
SSI	25.90	3.13	-0.4%
VHG	10.70	2.59	0.0%
SAM	10.30	2.35	0.0%
Ticker	Price	Volume	% price change
NVB	6.90	14.70	0.6%
PVX	4.60	6.16	0.6%
SHS	9.20	5.86	-0.3%
SHB	9.20	3.15	0.3%
SCR	9.10	2.99	-0.6%

WEEKLY TECHNICAL VIEW

VN-Index

VN-Index fell 6,58 points (or 1,1%) lower, closed at 582,77. Trading volume rose slightly with 535 million shares changed hands.

After three sessions of struggling around 591 area, VN-Index turned down on heavy volume. The area around 595 is the resistance of VN-Index. Traders should watch for a move down to support at 577 - 580 or a rebound higher to retest its resistance at 595.

Looking at technical indicators, the RSI fell sharply from overbought territory while the MACD looks as though it may experience a bearish crossover.

On weekly chart, a Dark Cloud Cover pattern appeared but further weakness is required for bearish confirmation of this reversal pattern.



HNX-Index

HNX-Index slipped 0,82 points (or 1,03%), closed at 78,62. Trading volume reduced slightly with 251 million shares changed hands.

The decrease of HNX-Index stopped temporarily at its trend line support at 78. Traders should watch for a breakdown from this trend line toward its lower support at 76 (equivalent to 50-day moving average) or a rebound higher to retest 79,5 area.

Looking at technical indicators, the RSI appears relatively neutral at 56,2 while the MACD faces downward pressure.

The trading volumes of HNX-Index remain at average level indicates that there was no distribution at this stage.



Recommendation:

Both VN-Index and HNX-Index turned down and now are near their support. Traders consider holding stocks longer if the indexes do not break down from these supports.

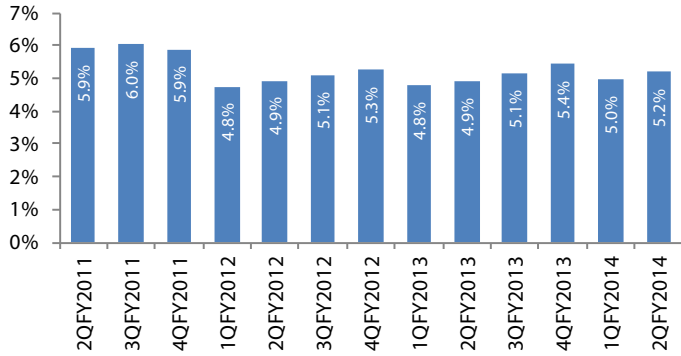
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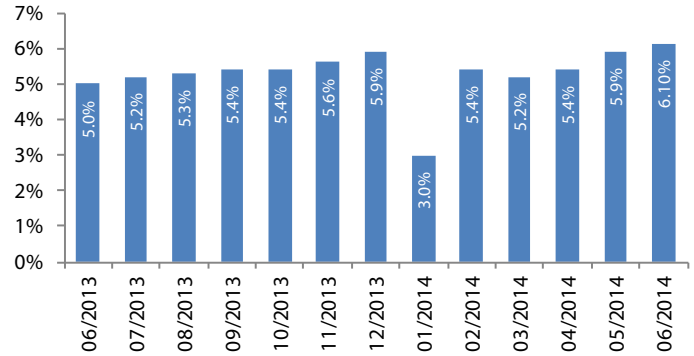
MACRO WATCH

Graph 1: GDP Growth



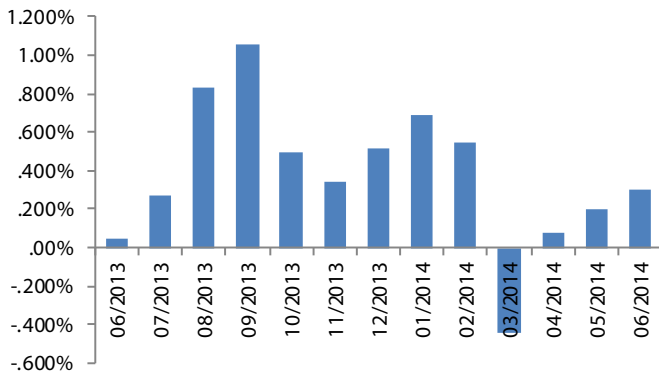
Sources: GSO, Rongviet Securities database
(* Comparison price in 1994)

Graph 2: IIP



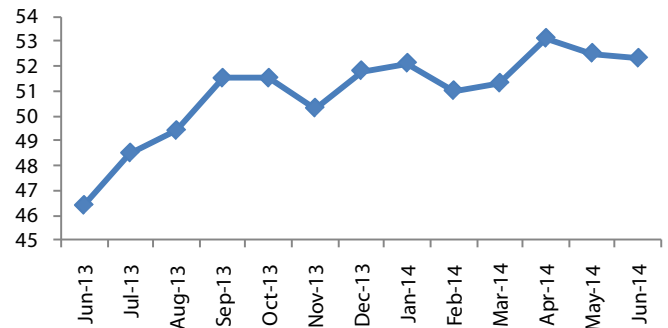
Sources: GSO, Rongviet Securities database

Graph 3: Monthly CPI



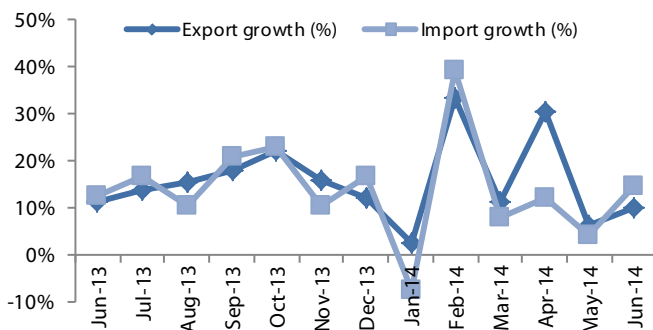
Sources: GSO, Rongviet Securities database

Graph 4: HSBC - PMI



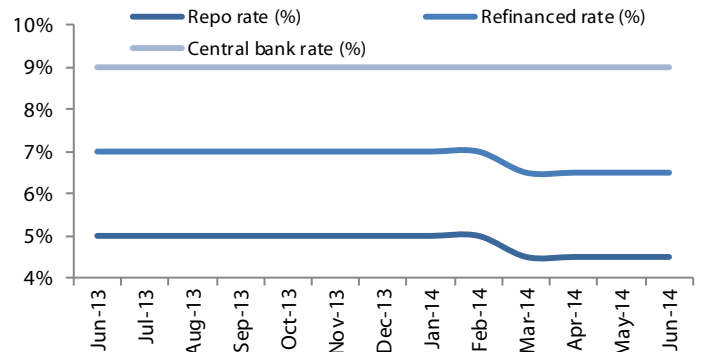
Sources: GSO, Rongviet Securities database

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
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	01/07/2014	0.75%	0.75%	10,881	10,833	0.44%
VF1	03/07/2014	0.20% - 1.00%	0.50%-1.50%	21,377	21,100	0.60%
VF4	02/07/2014	0.20% - 1.00%	0.00%-1.50%	9,704	9,527	1.86%
VFA	04/07/2014	0.20% - 1.00%	0.00%-1.50%	7,411	7,377	0.47%
VFB	04/07/2014	0.30% - 0.60%	0.00%-1.00%	10,853	10,799	0.50%
ENF	27/06/2014	0.00% - 3.00%		9,888	9,785	1.05%

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